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MUNICIPAL ENERGY REFORM IN UKRAINE

MUNICIPAL ENERGY REFORM PROJECT (MERP)

EIGHTH QUARTERLY REPORT

JULY 1, 2015 – SEPTEMBER 30, 2015



October 2015

This document was produced for review by the United States Agency for International Development (USAID). It was prepared by the Municipal Energy Reform Project in Ukraine implemented by International Resources Group for USAID/Ukraine.

Key to cover photos:

<p>MERP COP Larry Good attends discussion about how to apply EPC to Ukraine at 12th Financial & Economic Forum organized by IBSER</p>	<p>Ukrainian energy professionals from different regions of Ukraine receive certificates for participation in Certified Energy Manager training</p>	<p>MERP DCOP Andriy Mitskan and MERP expert Viktoriia Pohorielova participate in Conference "Energy Efficient Building" organized by Minregion</p>
<p>MERP expert Oleksandr Nikolaenko discusses EE issues with Ternopil Oblast Governor at MERP information kiosk during USAID Field Days in Ternopil</p>	<p>MERP brochures developed for Community Based Marketing Campaign on Condominium Promotion in Lviv</p>	<p>MERP experts visit "Chernihivvodokanal" in order to study asset valuation experience and discuss changes in relevant legislation</p>
<p>Mykola Tomenko, head of Environmental Committee of the Verkhovna Rada, speaks at MinEcology Round Table on INDC</p>	<p>Librarians from around Ukraine receive certificates for participating in workshop "Energy efficiency and renewable energy use in public buildings"</p>	<p>MERP expert Semen Dragniev demonstrates Clean Energy Technologies to young visitor of MERP information kiosk in Khmelnysky</p>

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DISCLAIMER

The authors' views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

ABBREVIATIONS

AE	Alternative energy
AUC	Association of Ukrainian Cities
CE	Clean energy
CMU	Cabinet of Ministers of Ukraine
COR	Contracting Officer's Representative
DCA	Development Credit Authority
DH	District heating
DTEK	Donbass Energy and Fuel Company
EBRD	European Bank for Reconstruction and Development
EC-LEDs	Enhanced Capacity for Low Emissions Development Strategies
EE	Energy efficiency
EPC	Energy performance contracting
ESCO	Energy services company
EU	European Union
GCC	Global climate change
GHG	Greenhouse gas
GIZ	German Corporation for International Cooperation
GOU	Government of Ukraine
HOA	Home Owners' Association
IBSER	Institute for Budgetary and Socio-Economic Research
IEE	Initial Environmental Examination
IFC	International Finance Corporation
IFI	International Financial Institution
INDC	Intended Nationally Determined Contributions
IRG	International Resources Group
KPI	Key performance indicator
LEDs	Low Emissions Development Strategies
MERP	Municipal Energy Reform Project
MinRegion	Ministry of Regional Development, Construction, Housing & Communal Services
MOU	Memorandum of understanding

MRV	Measurement, reporting & verification
NECSRC	National Energy and Communal Services Regulatory Commission (see NCSRC)
NCSRC	National Communal Services Regulatory Commission
NEFCO	Nordic Environment Finance Corporation
NGO	Non-governmental organization
NUPAS	Non-US Organization Pre-Award Survey
PIU	Project implementation unit
PPP	Public-private partnership
PSA	Public service advertisement, Public service announcement
Q1, Q2...	1 st quarter, 2 nd quarter, etc.
RAB	Regulatory asset base
REDS	Resource efficiency development strategies
ROR	Rate of return regulation
RFA	Request for application
SDC	Swiss Agency for Development and Cooperation
SAEE	State Agency on Energy Efficiency and Energy Saving of Ukraine
SEAP	Sustainable energy action plan
SEIA	State Environmental Investment Agency
SIDA	Swedish International Development Cooperation Agency
SOW	Scope of work
SSC	State Statistics Committee
TNA	Technology Needs Assessment
TOR	Terms of reference
UAH	Ukrainian hryvna (currency)
UNDP	United Nations Development Program
UNFCCC	United Nations Framework Convention for Climate Change
USAID	United States Agency for International Development
VR	Verkhovna Rada (legislature)
WB	World Bank

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BACKGROUND

The United States Agency for International Development (USAID) Mission for Ukraine, Moldova, and Belarus, Office of Economic Growth supports the implementation of the **Municipal Energy Reform Project (MERP, the Project) in Ukraine** as described in the Statement of Work and further detailed in International Resources Group's (IRG) Technical Proposal, and subsequent modifications.

The primary purpose of the USAID MERP is to enhance Ukraine's energy security. Increased end use energy efficiency (EE) combined with increased production of clean energy (CE) in large towns and cities will reduce the consumption of conventional energy in Ukraine while cutting greenhouse gas emissions, energy expenditures, and imports. The Project has four main tasks:

- Improve CE Regulatory and Legislative Enabling Environment
- Promote Investment in Clean Energy Technologies and Applications
- Strengthen Capacity Building and Dissemination
- Enhance Capacity for the Government of Ukraine (GOU) in Low Emission Development Strategies (LEDS)

The GOU is engaged in reforming the municipal energy sector and addressing challenges identified in the GOU Program of Economic Reforms for 2020, with an emphasis on CE/EE through price signals and improving the competitiveness and reliability of municipal services. Ukraine's energy policies are shifting to domestic resources and strengthening the energy market framework to EU standards. Adoption and full implementation of Energy Community Treaty and GCC Convention provisions could provide Ukraine with a competitive, transparent, and predictable market framework to attract investment and to underpin CE and EE improvements in the energy sector.

The Project focuses on introducing energy efficiency and clean energy in cities by assisting municipalities with

- Planning, preparing, and financing clean energy projects
- Introducing energy management systems
- Supporting implementation of development of DCA loan guarantees
- Supporting mechanisms that mobilize private sector investment, in particular performance contracts by energy services companies (ESCOs)
- Preparing sustainable energy public awareness plans

This Quarterly Report is submitted in accordance with the Contract requirements and covers the project period from July 1, 2015, through September 30, 2015. It serves as a tool for evaluating the Project's progress and achievements and provides a summary of Project activities, accomplishments, issues, and problems encountered in implementing the activities set by the Project Work Plan. It also weights the accomplishments in the context of the indicators set by the Monitoring and Evaluation Plan.

A. SUMMARY OF PROGRESS AND ACCOMPLISHMENTS

The overall objective of MERP is to enhance Ukraine's energy security. Increased end use energy efficiency, combined with increased production of clean energy in large towns and cities, should reduce the consumption of conventional energy, especially imported natural gas from Russia, while also cutting greenhouse gas (GHG) emissions and energy expenditures.

Under Activity 1, the Project continued supporting GOU and the Verkhovna Rada (VR) to approve key legislation related to municipal energy reform, including the

- ESCO and home owners association (HOA) related regulatory acts
- Law on Energy Efficiency in Buildings
- Law on Housing and Communal Services (and related metering legislation)
- Law on the National Regulatory Commission on Energy and Communal Services
- other clean energy legislation

MERP continued assisting the Ministry of Regional Development, Construction, Housing and Communal Services (MinRegion) and the State Agency for Energy Efficiency (SAEE) in developing energy standards.

In close cooperation with the World Bank and the Swedish International Development Cooperation Agency (WB/SIDA) and the European Bank for Reconstruction and Development (EBRD), MERP continued supporting the National Energy and Communal Services Regulatory Commission (NECSRC) in bringing tariff regulations in line with best international practice. Project experts continued building the capacity of the Regulatory Commission, assisted with the introduction of incentive tariff regulation, a benchmarking system, and a new quality of services monitoring system.

In close cooperation with the WB social assistance team, MERP continued assisting the Ministry of Social Policy to support implementation of the existing system of subsidies to low-income consumers and develop a new system of social norms for communal services. In close coordination with donors and GOU agencies, MERP expanded its Public Information Campaign to the national level.

Under Activity 2, MERP supported partner cities on sustainable energy action planning (SEAP) in compliance with the European Covenant of Mayors (CoM). MERP established cooperation with international financial institutions (IFIs) to support their programs with cities. The Project assisted cities and their utilities in:

- Identifying projects
- Developing pre-feasibility studies
- Preparing business plans and project concepts per best international practice.

Under Activity 3, MERP finalized the capacity building of non-governmental organizations (NGOs) and prepared one local organization for a direct USAID award.

Under Activity 4, MERP assisted GOU with developing its draft Intended Nationally Determined Contributions (INDC), subsequently submitted to the Ministry of Ecology and Natural Resources (MinEcology). MERP supported discussions and the consultation process through events. In the events the Project presented outcomes of the Energy and Industrial Process Sectors forecasting and GHG emission projects, as well as the LEDS scenario of the draft INDC. MERP began

supporting MinEcology on drafting elements of the State Climate Policy. The Project prepared draft documents on measurement, reporting & verification (MRV) systems in Ukraine and finalized the Technology Needs Assessment (TNA) Report for the Municipal Sector. This report is a major step in supporting CE/EE projects and selecting the best LEDS technology. Moreover, it is the first TNA report in Ukraine.

During the reporting period, MERP activities had good visibility and high attention from the US Embassy and GoU.

After a presentation on MERP activities, Vice-Prime Minister (VPM) Hennadiy Zubko expressed interest in MERP assistance in the following areas:

- National information campaign on EE (primarily in HOA buildings)
- Primary and secondary legislation on EE and RE
- Investment programs of IFIs (primarily WB)
- Donor coordination on EE.

The Project and Mr. Zubko agreed to conduct regular coordination meetings in these areas.

Danylo Lubkivskyi, Advisor to the Prime Minister, called a meeting with USAID Mission Director Jed Barton, US Ambassador Clifford G. Bond, Head of the Foreign Affairs Department of the Cabinet of Ministers of Ukraine (CMU) Mykhailo Vydoynyk, and MERP. Mr Lubkivskyi expressed high praise for the quantity and quality of the outreach work done by just one project, MERP, to change the mentality of Ukrainians toward energy efficiency.

USAID and MERP presented the Project to the new Deputy Minister of MinRegion Eduard Krugliak. They discussed priorities in the joint work plan. MinRegion agreed to appoint task leaders to ensure effective support and coordination.

The WB Social Protection Team and MERP together are supporting seminars in all oblasts across Ukraine to introduce changes in social protection mechanisms and improve the capacity of local authorities. Vitaliy Muzychenko of the Ministry of Social Policy stressed the importance of MERP's information campaign and training seminars.

During the reporting period, Project implementation was based on the Municipal Energy Reform Project Work Plan for Project Year Two. MERP submitted the Draft Work Plan in the end of August 2015, and the USAID COR approved it in October 2015. The plan is provided here as ATTACHMENT 1.

B. DETAILED DESCRIPTION OF PROGRESS/ACCOMPLISHMENTS DURING THE REPORTING PERIOD

B.1 PROJECT TEAM

During the reporting period, MERP experts assisted the key project stakeholders, the Ministry of Regional Development, Construction, Housing and Communal Services (MinRegion), Verkhovna Rada committees, the State Agency for Energy Efficiency, the Ministry of Social Policy, the National Energy and Communal Services Regulatory Commission, partner cities, and members of the donor community. The Project has a total of 21 recipients as of September 2015.

The MERP staff totals 13 employees.

B.3 ENVIRONMENTAL COMPLIANCE

MERP is taking steps to conform to USAID environmental regulations, 22 Code of Federal Regulations (CFR) 216. The Project incorporated environmental mitigation measures as a standard component of its program management. The Project assessed and developed a plan to meet USAID and Ukrainian environmental requirements through mitigating and monitoring environmental risks. MERP does not foresee any significant adverse environmental impacts from Project Activities. This is confirmed by the Initial Environmental Examination (IEE) recommendation of “categorical exclusion” for most Project tasks and Activities. “Negative determination with conditions” was defined for Project Tasks 1.2, 1.6, 2.2, 2.4, and 2.5. MERP assessed the possible environmental risks for these tasks as recommended by the IEE (4.3.1-4.3.4). The Project submitted to USAID the MERP Environmental Compliance Report, based on TO Contract ANNEX 1 – Initial Environmental Examination. The Report includes the following items: Environmental Legislation Requirements, Environmental Determination, Mitigation Measures Plan, and Monitoring Plan.

It is anticipated that many project activities will not have any effect on the environment and human health in Ukraine. While some project activities may have some effect, in most cases, this environmental/health effect is deemed to be positive – as increased energy efficiency and use of CE will lead to reduced energy consumption and GHG emissions.

The preliminary environmental assessment of Project activities enabled the Project to define potential environmental impacts and recommended environmental determination as:

- a) Categorical Exclusion: The activity is not likely to have an effect on the natural or physical environment. No further environmental review is required;
- b) Negative Determination with Conditions: The activity does not have potentially significant adverse environmental, health, or safety effects, but may contribute to minor impacts that can be eliminated or adequately minimized by appropriate mitigation measures.

Project activities

Activity 1. “Improve Regulatory and Legislative Enabling Environments for Energy Efficiency and Clean Energy.” All the activities (see list of deliverables) conducted within this Activity during the reporting period were assessed against IEE and Project Monitoring plan. It was determined that all activities meet the definition of a categorical exclusion and per 22 CFR 216.2 (c) (2) (i), (iii), (v) and (xiv), neither an initial environmental examination nor an environmental assessment is required. However, it is recommended to ensure that the preventive principle aiming to prevent the depletion of natural resources and deterioration of environmental components (air, water, land, plant and animal life) is mainstreamed into the draft laws and regulations that may be developed based on Component 1 activities.

Activity 2. “Promote Energy Planning, and Investments in Clean Energy and Energy Saving Technologies and Applications.”

During the reporting period within the second MERP component four Sustainable Energy Action Plans (SEAP) for Kyiv, Pavlograd, Ivano-Frankivsk and Lutsk had been developed. The SEAPs fall under the category of negative determination with conditions. No adverse environmental impact is likely, however, as according to 4.3.5 of IEE it is recommended to advise the assisted municipalities to integrate environmental and/or health considerations into the project/plans since they may have a local negative effect on the environment. According to the Project’s Mitigation Measures Plan (MMP), SEAP projects involving the construction of new energy supply/heating facilities or upgrade of existing facilities should undergo the national environmental assessment process including the preparation of EIA in line with DBN A.2.2-1-2003.

“Reports on energy audits with recommendations on energy efficiency, renewable energy and investment projects” for SEAP cities of Kyiv, Kryvyi Rih and Ternopil fall under the negative determination with conditions. No adverse environmental impact is likely, however, as according to 4.3.5 of IEE it will be recommended to the assisted municipality to integrate environmental and/or health considerations into the project/plans since they may have a local negative effect on the environment. Project funding applications should include a bankable environmental assessment prepared in line with the requirements of a lending agency (World Bank, EBRD, USAID, etc.). If a project is likely to have significant environmental or health impacts, the Mitigation and Monitoring Plan should be prepared.

The projects “Development of energy management system in Zaporizhzhya and Ivano-Frankivsk” fall in the category of negative determination with conditions. No adverse environmental impact is likely, however, as according to 4.3.5 of IEE it will be recommended to the assisted municipality to ensure the provision of the proper quality services to residential customers (timely delivery of services, non-deteriorated environmental conditions) as a result of the implementation.

The rest of the activities (see list of deliverables) conducted under Component 2 during the reporting period were assessed against IEE and Project Monitoring plan. It was determined that all of these activities meet the definition of a categorical exclusion and per 22 CFR 216.2 (c) (2) (i), (iii), (v) and (xiv), neither an initial environmental examination nor an environmental assessment is required.

Activity 3. “Capacity Building for Government and Non-Governmental Organizations with Respect to Energy Efficiency, and Emission Reduction.” All of the activities (see list of deliverables) conducted within Activity 3 during the reporting period were assessed against IEE and Project Monitoring plan. It was determined that all activities meet the definition of a categorical exclusion and per 22 CFR 216.2 (c) (2) (i), (iii), (v) and (xiv), neither an initial environmental examination nor an environmental assessment is required. It is recommended to introduce NGO representatives to the key environmental requirements of the energy efficiency and cleaner energy projects as part of the NGO’s training program.

Activity 4. “Enhance Capacity for the Government of Ukraine (GOU) in Development and

Introduction of Low Emission Development Strategies.” All of the activities conducted within Activity 4 during the reporting period (see list of deliverables) were assessed against IEE and the Project Monitoring plan. It was determined that all activities except one meet the definition of a categorical exclusion and per 22 CFR 216.2 (c) (2) (i), (iii),(v) and (xiv). Neither an initial environmental examination nor an environmental assessment is required. However, it is recommended to ensure that the principle of aiming to prevent the depletion of natural resources and the deterioration of environmental components (air, water, land, plant and animal life) is mainstreamed into the draft laws and regulations that may be developed based on Component 4 activities.

The conclusions of the report are that USAID MERP is in compliance with Ukrainian and Contract requirements on all implemented activities, and the Mitigation Measures Plan and Monitoring Plan are up to date and compliant with all requirements. The Project regularly monitors its activities for compliance with environmental regulations.

B.4 PROGRESS AND ACCOMPLISHMENTS BY ACTIVITY

ACTIVITY 1: IMPROVE CLEAN ENERGY REGULATORY AND LEGISLATIVE ENABLING ENVIRONMENT

Task 1.1 Developing Enabling Legislative and Policy Environment

During the reporting period MERP continued supporting GOU (MinRegion, SAEE, NECSRC, and Ministry of Social Policy) in developing clean energy policies, legislation and regulations. The assistance is based on EU Energy Community requirements and best international practice. In particular, MERP supported the development and/or approval process for the following regulatory acts:

- Law on Energy Efficiency in Buildings
- Law on National Energy and Communal Services Regulatory Commission (NECSRC)
- Law on Housing and Communal Services
- Decree on a sample energy performance contract (EPC), meant to support implementation of the ESCO mechanism for municipal buildings
- Changes to the Tax Code of Ukraine, the Model HOA Charter, and other acts to facilitate implementation of the Law of Ukraine #417-19 “On peculiarities of the right of ownership in a multi-family residential building”
- Law on peculiarities of access to information in the field of supply of electricity, natural gas, heat, central hot water, central potable water and sanitation
- National Energy Efficiency Action Plan (NEEAP).

Law on Energy Efficiency in Buildings

MERP experts contributed to discussions and analysis by providing comments on the draft “Law on Energy Efficiency in Buildings.” The work involved regular communication and exchange of information with Energy Community Secretariat in Vienna.

Law on National Energy and Communal Services Regulatory Commission (NECSRC)

MERP international and local experts (Vesa Lappalainen, Yulia Vashchenko and Olena Gavryliuk) held several meetings with key stakeholders to support the development and approval process of the law. The focus of MERP's assistance is to ensure compliance with requirements of the EU Energy Community and EU Directives that ensure independence and functionality of the Regulator.

The international expert conducted a review of the latest version of the draft law and shared his comments with Dixi Group, which serves as a facilitator for the review process by the Strategic Advisory Group. This Advisory Group comprises international and national stakeholders as well as members of parliament (MPs).

Law on Housing and Communal Services

MERP experts contributed to discussions and analysis (provided comments) of the draft law “On changes to the Law of Ukraine 'On housing and communal services'” and the related draft law on consumption based metering (prepared by the Reanimation Reform Package and MPs).

Decree on a sample energy performance contract (EPC) meant to support implementation of the ESCO mechanism for municipal buildings

MERP prepared an analytical note to inform SAE, MinRegion and EBRD about the most critical deficiencies in the current version of the Energy Performance Sample Contract. Deficiencies concerned payments, measurement and verification of energy savings, compliance with reconstruction regulations and property transfer issues. SAE addressed some of the findings and deficiencies in the EPC model contract before official publication for further discussion. MERP will analyze this document for its remaining deficiencies during the 9th quarter (Q9) of the Project.

MERP consultants had meetings and consultations with EBRD on developing ESCO sub-legislation. The parties agreed to work jointly with the Institute for Budgetary and Socio-Economic Research (IBSER) on developing priority legal acts.

MERP experts took part in the working group meeting on ESCO regulatory issues, hosted by the State Agency for Energy Efficiency (SAEE). Representatives from the Ministry of Finance, Oschadbank, Naftogaz Ukraine, IBSER, the Donbass Energy and Fuel Company (DTEK) and the Legal Company "Sayenko & Kharenko" attended the event. As a result of the meeting the list of key regulatory acts required for ESCO mechanism implementation was developed. The parties agreed to coordinate their efforts related to the development of these regulatory acts.

In addition, MERP (OPORA) supported public discussions related to the EPC approval process.

Changes to the Tax Code of Ukraine, the Model HOA Charter, and other acts to facilitate implementation of the Law of Ukraine “On peculiarities of the right of ownership in a multi-family residential building”

On July 1, 2015, the Law “On peculiarities of the right of ownership in a multi-family residential building” came into effect.

The law “On changes to the Tax Code of Ukraine (regarding taxation for non-profit organizations)” reg. #2049 dated February 5, 2015) was adopted on July 17, 2015, and became the Law of Ukraine #652-VIII on August 13, 2015. The law has certain deficiencies which affect HOA non-profit status. MERP experts prepared a draft law on changes to the Tax Code of Ukraine regarding taxation of non-profit organizations (with Comparative Table and Explanatory Note) in order to eliminate the deficiencies. MP Andriy Denysenko (reg. #3101) registered the draft law in the Verkhovna Rada on September 15, 2015. The proposed law will not eliminate the deficiencies, but it will allow new HOAs to keep the status of a non-profit organization.

MERP experts (Viktoria Pogorielova and Dmytro Levystky) provided regular assistance to the MinRegion Expert Groups (the working group, as a permanent advisory body of the Ministry of

Regional Development, was established according to the Order No. 276 of the Ministry of Regional Development dated October 2, 2014) related to initiation and development of legal and regulatory documents. The prepared documents/assistance included:

- Revision of the current Model HOA Charter and preparation of the new version to reflect on the provisions of the Law. The assistance included revision of the current Model HOA Charter, preparation of the new version, concurrence with stakeholders, HOAs, and other concerned parties;
- Order of the Ministry of Regional Development “On approval of the template of the minutes of the co-owners meeting” (as stipulated by item 7 of Article 10 of the Law);
- Draft of the GOU Decree “On approval of the procedure for storage of minutes of the co-owners meetings and disclosure of decisions taken by such meetings” (as stipulated by item 9 of Article 10 of the Law);
- Draft of the GOU Decree “On approval of the procedure for writing multi-family residential buildings off balance sheets” (item 6 of final clauses of the Law);
- Order of the Ministry of Regional Development “On approval of the template of the minutes of the co-owners meeting” (as stipulated by item 7 of Article 10 of the Law).

Law on peculiarities of access to information in field of supply of electricity, natural gas, heat, central hot water, central potable water and sanitation

The draft Law “On peculiarities of access to information in field of supply of electricity, natural gas, heat, central hot water, central potable water and sanitation” (#2505a) was registered by the Verkhovna Rada (the subject of the legislative initiative is the President of Ukraine). The law intends to increase transparency and improve tariff related information disclosure. The National Energy and Communal Services Regulatory Commission (NECSRC) prepared the draft law using analytical materials produced under the MER Project.

National Energy Efficiency Action Plan (NEEAP)

MERP experts participated in discussions on the National Energy Efficiency Action Plan (NEEAP) organized by CMU’s Center of Reform Support. The NEEAP document describes a development scenario of the Ukrainian energy sector based on the TIMES-Ukraine model, provides recommendations on improving energy efficiency, and set goals for energy consumption reduction resulting from these measures. SAEI expects to achieve 9% reduction of energy consumption by 2020. All recommendations of MERP experts are included in the latest version of NEEAP, which was submitted for CMU approval (Draft GOU resolution prepared).

In addition, as a part of the advocacy campaign conducted by OPORA, MERP continued to support the NEEAP approval process.

E-based donor coordination platform

MERP prepared brief information on the use of e-based donor coordination platform on municipal EE and RE reforms. As at the end of Q8, use of the platform by the stakeholders (EBRD, WB, USAID, IFC) was limited (number of documents uploaded, number of logins etc.). The project will conduct a donor organization user survey to identify issues limiting the use of the platform during Q9 of the project.

Task 1.2 Assistance to the National Energy and Communal Services Regulatory Commission (NECSRC)

Capacity Building

During the reporting period, three trainings (out of five trainings planned for the period) were delivered for the National Commission (and licensees when it was deemed necessary):

- “Social and psychological aspects of customer relations” on communication tools needed to establish quality relations with end use energy customers
- “Unbundling accounting by type of licensed activity in the heating sector”
- “Production of heat energy from unconventional and alternative fuels. Technical, economic, financial, and regulatory aspects, including incentive based tariffs for heat energy”
- Based on assessment of training needs conduct training seminars for NECSRC (on the areas of capacity building according to the agreed curriculum.

The seminars “Increasing transparency of regulatory decisions and creation of the transparent tariff setting system in water and wastewater, and heating sectors” and “Specific issues related to interpretation of benchmarking results and how these results could be used by the Regulator, including for tariff setting” with participation of international experts are rescheduled for October and December 2015.

Improvement of investment methodology

MERP discussed with NECSRC the review and approval of investment programs/tariff investment methodology for municipal utilities, which is crucial to bringing IFI investments (WB, EBRD, EIB, and NEFCO) in municipal infrastructure EE projects. In particular, MERP management and experts participated in a working meeting at the National Regulatory Commission to discuss the review and approval of investment programs at municipal utilities. Seven participants representing different departments of the Commission attended the meeting. Ruslan Mashliakivsky, Member of Board of the Commission, chaired the meeting. Participants discussed issues and problems related to the tariff investment methodology and the bureaucratic process in the Commission that was delaying investments of IFIs (WB, EBRD, EIB, and NEFCO) in municipal infrastructure EE projects. The participants agreed to establish a working group to discuss the proposals introducing changes to the tariff investment methodology.

Incentive Tariff Regulation

MERP finalized and submitted a Draft Concept for the gradual introduction of RAB incentive based tariff regulation to NECSRC for review and comments. The Commission approved the Concept in general and provided comments (suggested some revisions), in particular those related to stages proposed for transition to the incentive based regulation. MERP local and international experts will address these comments and prepare plan for gradual introduction of the incentive-based regulation during Q9 of the project.

Developing Utility Benchmarking and Improving Regulatory Reporting

During the reporting period, MERP continued assisting NECSRC on improving regulatory reporting. The Project helped working groups review and update various reporting tools.

- Fourteen communal service companies (water & wastewater, heating) tested new regulatory reporting forms. Based on the test results MERP experts and Commission staff revised the forms together. On July 16, the Commission published a draft decree on the new rules governing reporting by licensees operating in the heating and water & wastewater sectors on its website (<http://www.nerc.gov.ua/?news=4535>).

- At final meetings, MERP and NECSRC discussed results of the September tests of the reporting forms and modified them by consensus.

In September, 2015, MERP experts finalized the report “Recommendations on collection of the initial data for calculating the key performance indicators in the centralized water and wastewater sector.” The report will be submitted to the National Commission for discussion and comments.

Assets valuation methodology for natural monopolies

MERP participated in the working group meetings of the State Property Fund, and provided support to the development and implementation of changes to the Asset Valuation Methodology. During the reporting period, Project experts organized four meetings of the Asset Valuation Working Group and took minutes.

The position of the State Property Fund regarding the revision of the Asset Valuation Methodology is that such revision should be based on pilot evaluations for water and wastewater companies. MERP experts conducted a survey to assess (i) the financial willingness of water and wastewater companies to pay for asset valuation, and (ii) their awareness of the incentive-based regulation. Survey findings showed that only few water and wastewater companies are ready to finance asset valuation from their own funds. MERP experts started preparation of a tender document package to select asset valuation professionals. MERP is coordinating with other donors financial and expert support to this pilot evaluation process.

Develop a service quality monitoring methodology

MERP experts finalized the report “Methodology for monitoring quality of district heating and centralized cold and hot water supply, and wastewater disposal.” The report takes into account comments from the National Regulatory Commission and suggestions received from the participants of the seminar “Assessment of quality of water supply, heating, and wastewater services.” In particular, the Commission suggested adding international service quality monitoring experience. MERP experts conducted an overview of the service quality monitoring experience of Great Britain, Portugal, Australia, and Slovakia and regrouped the quality indicators. MERP will further discuss the revised report with the Commission to facilitate the methodology approval process.

MERP continued development of user guidelines and a software description for the automated assessment and forecasting of service quality.

Improvement of current tariff calculation system and regulations (nontraditional and renewable energy)

During the reporting period, MERP continued preparation of two draft decrees:

- “On approval of the procedure for calculation of tariffs for electric and heat energy produced by heat stations, heat and power plants, and nuclear power plants from unconventional and alternative fuels” meant to replace currently effective Decrees #896 and #897
- “On approval of the Tariff Revision Procedure for licensees dealing with production of electric and heat energy” #898.

Preparation included:

- Review of the tariff structure, taxation, and investment programs.
- Preparation of new annexes for tariff calculations.
- Preparation of a simplified Annex for entities dealing with heat energy production from unconventional and renewable fuels (requested by management of the National Regulatory Commission’s Department on Generating Utilities).

MERP submitted and discussed final versions of the new decrees with the Commission. They should be completed in October, 2015.

Develop a system to assess and forecast service affordability for population

MERP experts finalized preparation of the final version of the reports “Tools for assessing and forecasting affordability of services for population” and “Methodology for the Survey on the Consumer Readiness to Pay for Communal Services.” MERP will submit them to the Commission for discussion and comment in October, 2015.

Other activities included:

- MERP regulatory accounting experts took part in a working group meeting at SAEF to discuss changes to the Law of Ukraine, “On heat supply,” initiated by SAEF. The changes were about unbundling of licensed activities in the heating sector. Project experts prepared a memo with recommendations and submitted it to SAEF for review and discussion.
- MERP expert Olena Nych participated in a working meeting organized to discuss the Law of Ukraine #626-VIII, “On changes to certain laws of Ukraine governing communal services,” dated July 16, 2015. MP Olena Babak and representatives of MinRegion and NECSRC also attended. They discussed actions that MinRegion and NECSRC must take to ensure compliance with this law. These actions include changes to GOU Decree #869 needed to allow reimbursement of utility company losses incurred at a time when new tariffs were considered but not yet approved by authorities.

Task 1.3 Supporting Improvement of Social Safety Net for Vulnerable Population

MERP continued support to the Ministry of Social Policy on the improvement of the social safety net for vulnerable portions of the populace. Support included:

- Contributions to round table discussions on efficiency of the subsidy system
- Capacity building for the Ministry of Social Policy
- Assessment of the effectiveness of the subsidy program
- Development of proposals to improve social housing norms and consumption norms for housing and utility services
- Preparation of analytical reports and recommendations on changes in the system of privileges.

Support to round table discussions on efficiency of subsidies system

Project experts had meetings at the Social Protection Department of the Kyiv Oblast State Administration to discuss implementation of the new subsidy program in Kyiv Oblast.

In July MERP social experts participated in a working group meeting organized by the Ministry of Social Policy to discuss provision of privileges to certain categories of Ukraine’s citizens based on their aggregated average monthly family income. Deputy Minister of Social Policy Vitaliy Mushchynin chaired the meeting. About 20 participants from the Ministry of Social Policy, Public Outreach Department of the Secretariat of the Cabinet of Ministers, and representatives of NGOs from Dnipropetrovsk, Lviv, Odessa, Poltava, Kharkiv, and Chernihiv, attended. Participants discussed the next steps in preparing regional social protection offices for the coming heating season and implementing the new subsidy procedure. The Ministry of Social Policy expressed interest in a series of training seminars for local social protection authorities in August and September of this year.

MERP Consultant Anton Levytskyi met with representatives of the US Embassy (J. Benedict) and USAID (Andriy Nesterenko) to report on the pace of social protection reform in Ukraine. They discussed measures undertaken by the Government of Ukraine and steps necessary to ensure

effective social protection for consumers of housing and communal services during the heating season 2015-2016.

MERP Expert Anton Levytskyi conducted working meetings with the Ministry of Social Policy and the World Bank to discuss training for regional social protection authorities. The result was agreement of all participants to organize the training, including video conferences, the agenda and training materials.

Mr. Levytskyi also had several meetings with representatives of McKinsey (consultant to the GoU) to discuss development of new social protection mechanisms.

MERP social experts met with the Director of the State Social Assistance Department of the Ministry of Social Policy, Vitaliy Muzychenko, to discuss proposals for reporting by local social protection bodies on the new subsidy granting procedure. MERP prepared the draft analytical report, “Analysis of providing privileges to certain categories of population with average monthly aggregate family income taken into account and Analysis of changes in subsidy granting procedure.” The report will be used to prepare training materials for the second series of seminars on the new subsidy program.

Capacity building for Ministry of Social Policy

MERP experts, in conjunction with the World Bank, produced video materials tailored to the second series of seminars for regional social protection authorities. Specific topics included:

- Data exchange between social protection authorities and State Fiscal Service of Ukraine for the purpose of subsidy allocation.
- Recalculation of subsidies since privileges for some categories of citizens were reduced or eliminated.
- Recalculation of subsidies due to increased communal service tariffs at the start of the heating season.
- Creating reports on providing subsidies to the population.

MERP experts prepared and updated training materials (presentations, case studies) to include questions and comments received from participants of the first series of seminars.

Also in conjunction with the World Bank, MERP conducted seven seminars on the new subsidy program for the social protection departments of regional offices of the Ministry. The training covered recently adopted normative acts on social protection for utility customers, such as:

- GOU Decree #389, “On approval of the procedure for granting privileges to certain categories of citizens based on the average monthly aggregate income of a family,” dated June 4, 2015
- GOU Decree, #446 “On changes in the Procedure for granting privileges to certain categories of citizens based on the average monthly aggregate income of a family,” dated June 26, 2015
- GOU Decree, “On changes to certain GOU decrees on housing subsidies” (not yet registered).

These seminars were delivered to authorities of Kyiv, Lviv, Rivne, Dnipropetrovsk, Ternopil, Khmelnytsky, and Zhytomyr Oblasts. In addition, MERP experts from MDI participated with the World Bank in seminars for social protection authorities of Kyiv, Donetsk and Luhansk Oblasts.

Other assistance included:

- Working meetings with heads and staff of the Department of State Social Policy.
- Meetings at the Information and Computation Center of the Ministry of Social Policy (Center Director V. Klimenko and Deputy Director T. Krivets) to discuss use of the

- software a) for automated delivery of housing subsidies in the new program, and b) for interaction between the State Fiscal Service and service providers.
- Working meetings in the regional social protection authorities (Khmelnysky, Ternopil, Zhytomyr and Kyiv) to discuss changes in the protection mechanisms and preparation for the heating season.

Assessment of the effectiveness of the subsidy program

From August 10 to 12, MERP experts visited Khmelnytsky and Ternopil to organize subsidy data collection in MERP partner cities. The purpose of data collection was to assess the effectiveness of the new subsidy program, adopted by GOU Decree #389.

Development of proposals on the improvement of social housing norms and norms of consumption of housing and utility services

The Project completed comparative analysis of service use by subsidy recipients. The analysis was intended to assist preparation of proposals to improve social norms and was based on data collected from the Dnipropetrovsk social protection authorities.

MERP experts supported preparation of draft GOU Decree “On changes to the GOU Decree 409 dated August 6, 2014.” The draft decree focuses on improvement of social norms, subsidy calculations, and substantiation of the changes proposed by the Ministry of Justice and Ministry of Social Policy.

As of September 30, the draft Decree “On changes to the GOU Decree 409 dated August 6, 2014” was submitted to the CMU for review and approval.

Preparation of analytical reports/recommendations related to changes in privileges/subsidies system

GOU published Decree #475, “On streamlining the procedure for assigning and granting housing subsidies to the population.” This decree introduces changes to the “Regulations for procedure of assigning and granting subsidies to the population for compensation of housing and communal services costs and procurement of liquefied natural gas, solid and liquid fuels.” The decree also changed the “Declaration of Income and Expenditures of persons which applied for housing subsidy.” These changes took into account comments and recommendations initiated during the joint MERP – WB training of regional, social protection authorities.

The new GOU Decree #752 on changes to the subsidy allocation procedure before the start of the heating season was adopted on September 23. The decree includes several clauses prepared by MERP experts. Specifically, the decree introduced changes to expand opportunities for families not previously eligible, such as those with combined personal accounts or combined meters. Thus, the decree removes official reasons to reject subsidies to these families.

MERP social experts helped SAEE conduct housing and communal service subsidy calculations for vulnerable families (pensioners, families with children). These calculations support and illustrate the concept of assistance to low-income households to implement energy efficiency improvements. MERP social experts also assisted SAEE in preparing materials, namely the concept, presentation, Subsidy Calculator, and calculation examples, for submission to the Vice Prime Minister.

Task 1.4 Supporting Energy Efficiency Standards

MERP conducted a meeting (August 2015) with the State Agency on Energy Efficiency (SAEE) on the implementation status of the Cooperation Work Plan 2015 between MERP and SAEE and core elements of cooperation for 2016. Directive 2012/27/EC and 2004/8/EC Implementation Plan support activities were indicated as core of cooperation in 2016.

MERP experts took active participation in development of national approach to implementation Energy Management System in the cities. At the national level, State Agency of Energy Efficiency established working group for developing road map of developing energy management based on serious of standards of ISO 50000 Energy Management. During serious of meetings, working group prepared draft order of CMU, which includes main institutional, financial and regulatory activities for this standard implementation in Ukraine.

During the reporting period, MERP assisted in the development of energy standards. MERP finalized development of the Ukrainian National Standard on Energy Audit of Buildings, “Methods for Energy Audits of Buildings.” The standard reflects the main requirements of the European standard EN 16247-2 “Energy Audit of Buildings,” the Ukrainian National Methodology of Energy Use in Buildings, and regulations on energy performance and energy ratings. The MinRegion Technical Committee approved the standard. Now it awaits final approval.

MERP continued assistance to MinRegion in developing a missing part of mandatory building norms. In particular, MERP agreed and started activities in development State Building Norm (DBN) for roofing.

In July 2015 a MERP partner NGO, the Ukrainian Association of Energy Engineers, with support from the US Association of Energy Engineers, organized and conducted the first Certified Energy Manager (CEM) training for 20 Ukrainian energy professionals from different regions of Ukraine. During the course, participants studied 24 modules on technical, organizational and financial aspects of energy management. Fifteen participants passed the exam and received certificates on energy management. The 5 best participants received extra training to become authorized AEE trainers for the CEM program in Ukraine. They may perpetuate the CEM program locally without further assistance from US instructors.

Task 1.5 Public Information and Awareness Campaign

During the reporting period, MERP produced a number of information materials to support its multi-faceted information campaign on EE, AE, benefits of HOAs, and social safety net. MERP in cooperation with the State Agency for Energy Efficiency (SAEE) developed a brochure featuring major EE measures that can be implemented by residents of multi-apartment buildings in order to decrease their energy bills (façade thermal insulation, replacement of doors and windows, installation of weather-based control systems and heat meters). The brochure also features terms of the state program of partial loan compensation to stimulate EE in residential buildings. SAI produced 100,000 copies of this brochure and distributed them to professional associations, non-profit organizations and all Ukrainian cities.

In order to launch the Community Based Marketing Campaign (CBMC) on Condominium Development in Lviv, the Project developed a series of posters and brochures “Energy Saving, What to Do and Where to Get Money?” “Our Building is Our Ownership,” and “Building Management: How to Exercise Your Rights.” The campaign started on September 10 in Sykhiv, one of the biggest residential districts in Lviv. It includes 10,389 residents in 123 residential buildings. The main purpose of the campaign is to educate citizens on the benefits of condominium development as a primary motivating force for energy savings and to promote financial solutions related to residential energy efficiency. MERP is conducting this campaign in close cooperation with the Lviv city administration and Lviv City Institute. So far MERP has provided more than 10,000 copies of educational and information materials for this campaign.

In July-September, MERP supported a number of outreach events on the national and municipal levels. For example, the Project participated in Sustainable Energy Weeks in Dnipropetrovsk, Rivne, Sumy and Khmelnytsky by supporting public events and providing these cities with information materials on EE and AE. About 12,000 people, including representatives of city and oblast administrations, NGOs, media, and local citizens, attended these events. In addition, MERP subject matter experts and the Communication team participated in the USAID Field Days in Sumy and

Ternopil. The goal was to present and promote the work of USAID projects in Ukraine with activities in different areas like energy efficiency, civil society, justice, healthcare and agriculture.

During the information fairs and Sustainable Energy Days, the MERP information kiosks distributed over 10,000 copies of materials on energy efficiency (EE), alternative energy, and HOA development. Thanks to the Project and volunteers from local secondary schools, the kiosks also served as counseling centers, scientific labs and creative studios for energy efficient technologies and clean energy applications. While adults were learning how to save money and energy, young visitors had a great time participating in various creative and scientific workshops, making paper windmills, assembling alternative energy sources and electrical devices, and playing EE games and quizzes.

MERP continued to coordinate its targeted public information activities with energy market stakeholders through meetings organized by the GOU Communication Group. During the reporting period, the Project participated in several interagency working group meeting on the government communication campaign for subsidies and energy efficiency. Such meetings were headed by Vice-Prime Minister Hennady Zubko, as well as deputy Minister of Regional Development, Construction and Communal Services Eduard Krugliak. In addition, a number of separate coordination meetings with communication staff of the World Bank, IFC, and the State Agency of Energy Efficiency took place during the reporting period.

At the request of the Prime Minister's (PM) office, the MERP COP and PR Manager delivered a presentation on the MERP public outreach campaign to Danylo Lubkivskyi, Advisor to the (PM) on communication issues. USAID Mission Director Jed Barton, US Ambassador Clifford G. Bond, and the Head of foreign affairs department of the Cabinet of Ministers Mykhailo Vydoinyk attended the meeting. The PM's advisor expressed his great appreciation of the outreach work done by MERP, noting not just the quality of materials and relevance of messages, but also the huge and effective quantity of work done by just one project to change the mentality of Ukrainians toward energy efficiency. He asked for MERP assistance in launching the national campaign related to tariff reform, and suggested that the PM support the campaign by obtaining no-cost placement of MERP video PSAs on national and private TV channels.

The MERP subcontractor Civil Network OPORA provides assistance with public relations and outreach activities. During the reporting period of July to September, 2015, OPORA supported 34 public events on energy efficiency and alternative energy resources in 10 MERP partner cities. They were Chernihiv, Dnipropetrovsk, Kherson, Khmelnytskyi, Kryvyi Rih, Kyiv, Pavlohrad, Rivne, Sumy, and Zaporizhzhia. OPORA distributed over 1100 copies of information materials, such as MERP EE posters and brochures, to local citizens -- residents of multi-apartment buildings, students, the vulnerable population and initiative groups from HOAs. Thanks to these outreach efforts, OPORA reached an audience of 8700 people, increasing their knowledge and influencing behavior change toward EE. These activities were supported by media with more than 120 publications and TV or radio news casts in local editions.

MERP, in cooperation with OPORA, also held a number of expert round tables and media briefings on issues related to HOA legislation and EE/AE in five MERP partner cities: Dnipropetrovsk, Khmelnytskyi, Kyiv, Rivne, and Sumy. The events received wide press coverage in local media, resulting in 30 publications or TV/radio broadcasts.

OPORA also continued to support the MERP information campaign through social networks and web sites, such as

[<http://zhytlo.in.ua<http://zhytlo.in.ua/>](http://zhytlo.in.ua)

[<http://facebook.com/zhytlo.in.ua>](http://facebook.com/zhytlo.in.ua)

[<http://twitter.com/zhytlo in ua>](http://twitter.com/zhytlo_in_ua)

[<http://vk.com/zhytlo in ua>](http://vk.com/zhytlo_in_ua)

During the reporting period about 25 posts were placed on these internet resources to inform the audience about recent changes in legislation related to HOAs. Over 170 posts were made to promote MERP information materials and activities on EE/AE, HOAs, SEAP development, tariff and social reforms. Overall, these posts received the attention of more than 23,000 viewers. About 4000 people shared the information.

ACTIVITY 2: PROMOTE INVESTMENT IN CLEAN ENERGY TECHNOLOGIES AND APPLICATIONS

Task 2.2 Assisting Municipalities with Planning, Preparing and Financing for CE Projects SEAP preparation

During the reporting period, MERP continued assisting the second group of eight partner cities with developing draft SEAPs and catalogs of investment projects. MERP experts (EnEffect) provided quality control for the documents and made recommendations on improvements.

For the partner cities, the Project organized and conducted presentations and discussions of the investment programs and possible sources of finance. MERP supported preparation of public hearings on SEAPs in the partner cities.

The next table provides information on the status of SEAPs preparation for the second group of MERP partner cities.

City	Status
Khmelnitsky	Draft SEAP prepared
Kriviy Rih	Draft SEAP prepared
Kyiv	Draft SEAP prepared; comments received and incorporated
Lutsk	Draft SEAP prepared; comments received and incorporated
Pavlohrad	Draft SEAP prepared; comments received; presented to city council representatives
Rivne	Draft SEAP prepared; presented to city council representatives
Sumy	Draft SEAP prepared; presented to city council representatives
Ternopil	Draft SEAP prepared

MERP experts also assisted City Councils with registering the SEAPs with the Covenant of Mayors, completing the SEAP submission templates on the website of the European Commission and providing consultations related to SEAP approval by the European Commission.

MERP experts participated in the roundtable “How to achieve savings of energy resources in Kyiv: Strategic steps and practical tips.” Deputy Mayor of Kyiv City Petro Panteleyev presented the draft Energy Strategy of Kyiv City to 2030 and the draft Target Program on Improving Energy Efficiency for 2016-2020. These documents are based on findings of the draft SEAP, prepared with the assistance of MERP energy auditors and the Regional Training Center ECOSYS. Approximately 15 journalists and 5 TV Channels attended this meeting.

Specific project support

The MER Project continued providing assistance to the partner cities with the preparation, structuring, and negotiation of clean energy investment projects that are listed in the SEAPs.

The European Bank for Reconstruction and Development (EBRD) is considering providing funding (loans, subject to approval by EBRD, and grants, subject to approval by donors) of up to EUR 25 million to support implementation of energy efficiency (EE) measures in the public buildings of Zaporizhzhia. Energy Performance Contracts (EPCs) will ensure efficient

implementation, sustainability and the replicability of project results. MERP in coordination with EBRD initiated a pre-feasibility study for this project. MERP will provide additional assistance to support the establishment of a municipal ESCO as a mechanism for project implementation.

The reporting period saw the following municipal project support:

- Finalization of two business plans (EE measures in public buildings) for NEFCO project funding in Khmelnytsky and Lutsk;
- Initiation of a pre-feasibility study on EE projects in public buildings in Zaporizhya;
- Preparation of pre-feasibility studies for Vinnytsia, Kramatorsk, Dnipropetrovsk and Kherson to support substitution of natural gas with biomass for several boiler houses;
- Initiation (consideration) of project support on solid waste management for Khmelnytsky, Lutsk and Ivano-Frankivsk.

The next table gives summary information on MERP support provided to partner cities in preparation of Clean Energy (CE) projects.

City	CE Project	Type of support	Approx. value (M USD)
Chernihiv	Improving public electric transport system	Pre-feasibility study	9.2
Dnipropetrovsk	Installation of biomass boilers (gas replacement)	Pre-feasibility study	Being estimated
Ivano-Frankivsk	EE measures in public buildings	Energy audits	1.1
Ivano-Frankivsk	Solid waste management	Project concept	Being estimated
Kherson	World Bank District Heating EE Project	Technical specifications and assistance to PIU	22.0
Kherson	Installation of biomass boilers (gas replacement)	Pre-feasibility study	Being estimated
Kramatorsk	SUDEP grant for improving public electric transportation	Energy survey	1.0
Kramatorsk	Installation of biomass boilers (gas replacement)	Pre-feasibility study	Being estimated
Vinnytsia	Installation heat pumps on waste water treatment plant	Energy audit, project concept	13.9
Vinnytsia	Installation of biomass boilers (gas replacement)	Pre-feasibility study	Being estimated
Zaporizhyya	ESCO for public buildings	Pre-feasibility study, support for performance contracting	28.0
Ternopil	Assistance to district heating utility	Technical specifications and assistance to PIU	16.8
Khmelnitsky	Energy production from landfill gas	Energy survey, project concept development	1.0
Khmelnitsky	Solid waste management	Pre-feasibility study	Being estimated
Kyiv	EPC for public buildings, energy management system	Legal support to ESCO project, pre-feasibility study on energy management	9.5
Sumy	Improving energy efficiency of public buildings	Energy audit for NEFCO loan	Being estimated
Lutsk	Improving EE in public buildings, waste recycling	Business planning	0.7
Lutsk	Solid waste management	Project concept	Being estimated
Approximate total			103.2

Note: Investment in Ivano-Frankivsk may extend to a possible 7.0 mln. USD.

In the partner cities MERP continued preparation of investment catalogues to attract financing from IFIs and the private sector.

Task 2.3 Introduction of Energy Management Systems

During the reporting period, MERP continued assistance to the partner cities with introduction of Municipal energy management systems. Because of these activities, the Zaporizhzhya city council approved a decision to establish a municipal energy management system.

MERP experts developed a tool to assist energy managers in project selection and prioritization in various spheres, including district heating, municipal waste, lightning and municipal transport. The tool allows modeling (calculations of energy and financial indicators) for various energy efficiency measures and appropriate technologies so that energy managers or energy auditors can compare options and select the best.

MERP trainers conducted introductory seminars on Municipal Energy Management for the second group of partner cities, including Kriviy Rih, Pavlohrad, Sumy and Ternopil. Nearly 150 city representatives attended. The Project experts presented a basic approach to establishment of a Municipal Energy Management System and discussed the functions of municipal energy managers. Presentations included the four key pillars of energy management: monitoring, analysis, decision-making, and taking action. MERP experts, in cooperation with city administrations, developed a package of draft documents required to establish energy management systems in accordance with ISO 50001.

Task 2.4 Development Credit Authority Loan Guarantee

During the reporting period, MERP monitored use of the USAID DCA at Bank Lviv. As of September 30, 2015, the DCA utilization ratio is 10.59% (7 loans issued), in line with MER Project targets. However, there were no loans issued during reporting period and the bank has no applications in the bank's pipeline. According to Bank officials, they are now disadvantaged compared to banks in the state program, which has partial loan compensation (grants). The Bank requested additional Project assistance in promoting its lending program.

Task 2.5 Support Mechanisms that Mobilize Private Sector Investment

ESCO mechanisms

MERP participated in the 12th Financial & Economic Forum, "Implementation of Energy Service Agreements: The Guarantee of Reduced Energy Dependence of the Government-Funded Sector." The Institute for Budgetary and Socio-Economic Research (IBSER) organized this event under a USAID funded project. MERP attended the all day discussion about how to apply energy performance contracting (EPC) to Ukraine, now that primary legislation is in effect.

Public private partnerships

MERP started assistance to the cities of Kramatorsk (bio-energy) and Khmelnytsky (solid waste management) to develop and implement projects using PPP mechanisms.

MERP experts at MDI prepared a questionnaire to assess the willingness of municipalities to implement clean energy projects on PPP principles. The survey will be conducted during Quarter 9 of the project to identify specific CE projects which may require MERP support.

Energy efficiency in buildings

MERP experts and USAID COR Andriy Nesterenko participated in the National Conference "Energy Efficient Building" organized by MinRegion. IFC, USAID MERP, GIZ, and other international organizations supported organization of the event. About 100 representatives of HOAs and their associations, building managers, city authorities, manufacturers of energy efficient materials and equipment, local and international experts, MinRegion and SAEF participated. They discussed enforcement issues of the Law of Ukraine #417-19, "On peculiarities of the right of ownership in a multi-family residential buildings" and agreed on a road map for its implementation.

MERP experts outlined positive impacts of the law on implementation of energy efficiency projects in residential buildings. The USAID COR explained Project support to financing residential energy efficiency through commercial lending and education programs for HOAs. Participants recommended increasing GOU support for HOAs and residential energy efficiency by simplifying procedures and regulations and by providing loan subsidies.

During the reporting period, MERP supported a number of activities related to residential EE to facilitate investment and expand commercial lending, including loans provided by the State EE Program with partial loan compensation.

- Participation by MERP experts in SAEE working meetings on program monitoring and improvement. The following changes resulted from the discussions: 1) Expansion of the list of EE equipment eligible for state grant funding, and 2) improvement of the mechanism to support participation of the low-income population in the EE Program.
- Preparation of four leaflets on particular features of the State EE Program; target audience: apartment owners in multi-family residential buildings, HOAs, private homeowners (including those who intend to install boilers).
- Dissemination of 27 information materials through Facebook; theme: the State EE Program, its implementation and specific features.
- Participation by MERP experts in the August media briefing “Advantages and weak points of the State Program for Energy Efficiency” at the Ukrainian Crisis Media Center (Kyiv).
- Assistance by MERP experts to HOAs which took part in the State EE Program, with reimbursement of 90% of expenses related to subsidies and privileges.
- Continued MERP support to Clean Energy (CE) Condominium Advisory Centers (CACs): training seminars, experience exchange events, development and production of information materials and consultations on a) establishment of HOAs, b) financing residential energy efficiency improvements, c) privileges, and d) subsidies.

MERP residential EE experts from MDI participated in the seminar “Partnership for Energy Efficiency,” organized by the SAEE and the Sumy Oblast State Administration. The seminar promoted residential EE and increased awareness of HOAs and other homeowners of existing opportunities to finance energy efficiency projects. About 60 participants representing local HOAs, industry professionals, and housing management companies attended the event. Project experts presented energy efficiency measures for residential buildings and the necessary steps to apply for commercial lending.

MERP conducted a workshop to discuss and improve CE CAC activities in the partner cities. An advisor to the Vice-Prime Minister of Ukraine (Yevgen Chervyachenko), an MP (Alyona Babak), representatives of EE product manufacturers (Henkel, Danfoss, REHAU, System KAN-therm) and members of city councils attended the workshop. The discussions focused on several issues: 1) latest changes in legislation on HOAs, 2) implementation of SEAPs in residential buildings and attraction of financing to implement EE projects, 3) cooperation between MERP, pilot cities, and CE CACs, 4) introducing changes to the Tax Code of Ukraine (HOA tax status), and 5) the internet platform for exchange of experience and best practices between CE CACs in Facebook.

MERP experts provided assistance to 12 CE CACs regarding creation of CE CACs pages on Facebook. By September 30, 10 pages had been created. Also, the Facebook account “Condominium Advisory Centers - Ukraine” was created for communication and the exchange of experience between condominium advisory centers from different regions of the country.

Task 2.6 Preparation of Sustainable Energy Public Awareness Plan and Development of Related Materials

From July to September, MERP supported a number of outreach events on the national and municipal levels. For example, the Project participated in Sustainable Energy Weeks in Dnipropetrovsk, Sumy and Khmelnytsky by providing these cities with information materials on EE and AE. About 10,000 people, including representatives of city and oblast administrations, NGOs, media, and local citizens, attended these events.

In addition, MERP subject matter experts and the Communication team participated in the USAID Field Days in Sumy and Ternopil and Khmelnytsky. The goal was to present and promote the work of USAID's Projects in Ukraine with activities in different areas like energy efficiency, civil society, justice, healthcare and agriculture. During the information fairs, the MERP information kiosks distributed over 5000 copies of materials on EE, AE, and HOA development. Thanks to the Project experts and volunteers from local secondary schools, the kiosks also served as counseling centers, scientific labs and creative studios for EE technologies and CE applications. While adults were learning how to save money and energy, young visitors had a great time participating in various creative and scientific workshops, making paper windmills, assembling alternative energy sources and electrical devices, and playing EE games and quizzes.

ACTIVITY 3: CAPACITY BUILDING AND DISSEMINATION

Preparation of local organization for direct USAID award

Based on the transitioning plan and the program description agreed with USAID, MERP continued preparing the Renewable Energy Agency (REA) for a direct USAID award. In August, 2015, the USAID office of financial management conducted a review of REA to assess its readiness for a direct USAID award.

During the reporting period, MERP provided in-depth capacity building support to local partner NGOs. In particular, this included:

- An overview of organizations' activities, review of constituent documentation, strategic plans, and organizational structure to determine the NGOs' compliance with legislative norms and international standards.
- A review of existing internal policies and procedures (manuals) to determine the NGOs' compliance with statutory activities and USAID's key regulatory provisions.
- Development of recommendations (reports) for improving, finalizing or rectifying deficiencies.
- A practical training course (August 2015), followed by individual consultations, to address findings and provide detailed guidance and recommendations.

REA received a grant under MERP to implement the project "Promotion of Natural Gas Substitution with Biomass in Heat Energy Production." However, the grant did not provide for specific funding of activities (including costs of personnel) aimed at transitioning of this NGO to a direct USAID award. Therefore, the agreement with REA was modified.

During the reporting period, REA continued to improve its organizational policies, procedures and practices (based on recommendations provided by Earnst & Young and an amended program description) in preparing for a direct USAID award.

Performance of local partners under sub-awards

During the reporting period, MERP partner NGOs continued implementation of projects under the grant agreements as follows.

“Association of Energy Auditors in housing and communal services” (AEA), project entitled “Support to Institutional Capacity of Ukrainian Cities in the Development and Implementation of Sustainable Energy Policies” - During the reporting period AEA:

- Continued work with the cities of Drohobych and Burshtyn: 1) to introduce energy management and energy monitoring; 2) to develop SEAPs; 3) supported experience exchange visits to the cities of Kyiv, Zhytomyr and Kamyanets-Podilskiy.
- In cooperation with Association of Ukrainian Cities (AUC) provided consultations to the cities regarding potential sources of funding and application procedures; provided analytical support to the cities of Ukrainka, Kremenshuk and Komsomolsk aimed to identify EE projects for the third round of NEFCO “Demo Ukraine” loan program.
- Continued to update information resources (database) on EE projects in Ukraine and potential funding sources.

“Association of Energy Engineers of Ukraine” (AEEU), project entitled “Implementation of Independent Certification System for Energy Management Specialists” - During the reporting period AEEU:

- Organized and conducted Certified Energy Manager (CEM) training for 20 Ukrainian energy professionals from different regions of Ukraine. 15 participants passed the exam and received certificates on energy management and five best participants received extra training to become authorized AEE trainers for the CEM program in Ukraine. This allows continuing the CEM program locally without further assistance of US instructors.
- Participated in the working groups of SAEE focusing on implementation of energy management systems in Ukraine. Conducted a working meeting and ensured support to further certification training for the Association of Ukrainian cities, EECU, AEA, Kyiv Polytechnic University, engineering and energy service companies.

“Energy Efficient Cities of Ukraine” (EECU), project entitled “Practical Model of Local Government Capacity Building for Efficient Energy Management” - During the reporting period EECU:

- Conducted an assessment of energy management operations in 35 Ukrainian member cities (including 13 MERP partner cities).
- Provided assistance to the cities of Kherson and Dnipropetrovsk in developing road maps for energy management implementation.
- Conducted an assessment on the use of energy resources by the municipalities and published on EECU website. Prepared a report on the use of municipal budgets funds (in COM participant cities) utilized to implement EE projects and to pay for energy resources. The report covers period 2010-2014.
- Finalized the Draft Manual for preparing and conducting “Sustainable Energy Days” in Ukrainian Municipalities.
- Provided support to preparation and/or conducting “Sustainable Energy Days” in the following cities: Sumy, Dnipropetrovsk, Rivne, Pavlograd, Khmelnytsky, Ternopil and Kherson.
- Developed guidance materials (road map) for Ukrainian municipalities on conducting energy audits.
- Conducted training for MERP partner city representatives on developing investment proposals (applications) to implement EE projects. Four Ukrainian banks (Ukreksimbank, Ukgazbank, Oschadbank and Bank of Lviv) attended the event and presented their EE related credit programs.
- Conducted training for local NGOs focused on preparing grant applications and funding search (over 20 representatives from 10 cities participated in the event).

- Supported preparation of Initial Financial Appraisals (IFA) for projects included in SEAPs of MERP partner cities.
- Supported preparation of the VII International Investment Business Forum (section on energy management), to be conducted in November 2015.

“Renewable Energy Agency” (REA), the project entitled “Promotion of Natural Gas Substitution with Biomass in Heat Energy Production” - During the reporting period REA:

- Finalized a manual on development and preparation of heat production projects to replace natural gas with biomass. The manual was placed on the REA website for dissemination.
- Conducted a seminar on preparation of feasibility studies for biomass heat production projects for MERP partner cities.
- Under preparation of pre-feasibility studies for biomass heat production projects:
 - Finalized an assessment of biomass supply sources for the cities of Kherson, Dnipropetrovsk and Vinnytsia.
 - Collected information and conducted an analysis of sites for potential projects in the cities.
 - Conducted an analysis of technical solutions and developed the preliminary financial assessment for a project in Kherson.
 - Established contacts with NEFCO as a potential funding institution for the projects.

All NGOs continued work on improvement of organizational policies and procedures (based on recommendations provided by the external auditor/reviewer).

MERP regularly monitored NGO progress against parameters stated in sub award work plans. In accordance with Task Order SOW, project experts prepared capacity building report that summarizes implemented capacity building activities.

ACTIVITY 4: ENHANCE CAPACITY FOR THE GOU IN LOW EMISSION DEVELOPMENT STRATEGIES (EC LEDS)

TASK 4.1: STRENGTHENING INSTITUTIONAL CAPACITY IN PLANNING LEDS-REDS

During the reporting period, MERP provided legislative support to MinEcology and developed two major documents - the Draft State Climate Strategy and the Draft State Climate Concept, as primary national legislation on climate change and low emission development. MERP developed numerous drafts of the fifth draft of State Climate Strategy and officially submitted them to MinEcology in September after incorporating comments by the acting Minister Serhiy Kurykin. This is a key legislative support activity under the MoU between MinEcology and MERP, signed in February, 2015.

Support to MinEcology on secondary legislation for the MRV system continued during the reporting period. This support included development of the training curriculum, the core activity. MERP prepared and submitted the following MRV documents to MinEcology:

- Training strategy
- Glossary
- General guide
- Verification report manual
- Installation manual.

MERP experts made presentations of these documents during the reporting period. MinEcology published the last three in the series as an MRV Tool Kit, to be disseminated to state officials and private entities by MinEcology with MERP support. Presentation of the MRV Tool Kit will take place in November, 2015.

INDC Support

The MinEcology Climate Change Working Group continued its work during the reporting period with four meetings, conducted with MERP assistance. MERP provided coordinated support to MinEcology for the development, stakeholder consultations and submission of Ukraine's INDC. MERP supported MinEcology in organizing seven expert working meetings to facilitate INDC preparation. During one such formal meeting, MERP presented its input to the Ukrainian INDC, namely the section on the Energy Sector (by the IPCC definition). The Energy Sector section accounts for over 70% of GHG emissions in Ukraine.

On August 12, the three TA projects that developed the draft INDC submitted it to MinEcology along with an explanatory note and supporting documents. MERP developed all scenarios for the Energy Sector and five scenarios for the Industrial Processes Sector. MinEcology initiated and conducted broad consultations by state officials on this draft INDC, including two meetings of the Inter-Ministerial Commission on UNFCCC implementation and informal discussions between all ministries and state agencies. MERP provided support to the extensive and broad stakeholders' consultation process during the INDC discussion period. MERP and its sub-contractors organized and participated in eight round tables, workshops, presentations and a press briefing for the Ukrainian INDC as a part of stakeholder consultations process. MERP experts from the Institute of Economy and Forecast (IEF) of the National Academy of Science of Ukraine participated in all the events and presented the outcomes of Energy and Industrial Process Sectors forecasting and GHG emission projects, as well as the LEDS scenario of the Ukrainian INDC. MERP also supported the Ukrainian Chamber of Commerce, OPORA and the MinEcology Civil Society Council in separate events to present and discuss Ukraine's INDC.

On September 1, MERP COP and EC-LEDS Task Leader participated in Ukrainian INDC Round Table organized by MinEcology and attended by 15 Ukrainian Ministries, SAEE, NECSRC, leading experts, academia and environmental NGOs. The Minister of Ecology and Natural Resources Serhiy Kurykin and the Head of Verkhovna Rada Environmental Committee Mykola Tomenko opened the meeting. Over 50 participants from EU Delegation office in Ukraine, academia, state officials, the expert community, professional NGOs and three TA projects, which contributed to preparation of draft INDC, participated in this Round Table. This was the first broad stakeholder consultation organized by MinEcology to present and discuss the Ukrainian Draft INDC. There was productive discussion on the draft INDC and on potential selection of the GHG mitigation options. A range of opinions, sometimes opposite, came forward.

The Cabinet of Ministers of Ukraine adopted the Ukrainian INDC on September 16. On September 30, the INDC appeared on the UNFCCC portal with a pledge not to exceed 60% of the 1990 baseline GHG emissions by 2030. As a part of the INDC development and stakeholder consultation process, MERP established working relations with Verkhovna Rada members of the Environmental Committee, namely Ostep Yednak, Serhiy Tregubenko and Serhiy Sazhko. MERP also cooperates with Verkhovna Rada Environmental Committee in developing national climate legislation, the Draft State Climate Policy.

During the reporting period, MERP provided support for two meetings of the Inter-ministerial Commission on UNFCCC implementation under the process of inter-agency coordination support. Commission meetings took place in August and September, 2015, for the first time since November, 2013. Both meetings were intended to present, discuss and approve the Ukrainian INDC.

From July to September, MERP provided expert and organizational support to the State Working Group on UNFCCC Negotiation under MinEcology to develop a national position on a new climate agreement. Support included drafting negotiation text, position papers and elements of

submissions. More than 10 meetings of the Working Group took place during the reporting period. MERP also assisted MinEcology in a) drafting a position paper on differentiation and analysis of new climate agreement text, and b) facilitating presentation of the INDC.

MERP continued working level relations with the Climate Policy Department of MinEcology. More than 15 meetings took place during the reporting period on climate policy, SEAPs, the National GHG Inventory System, INDC support, TA coordination, UNFCCC negotiation expert support, MRV documents and MRV training. MERP discussed development of the LEDS Action Plan curriculum with MinEcology with the view to identify a contact person and the political will for this process.

In July and August MERP conducted a post-training survey to evaluate the LEDS training conducted in June and to assess the need for further training and the LEDS on-line support line. The line will be established and managed by MERP sub-contractor CCS to provide on-going assistance and support to the local LEDS facilitator.

MERP subcontractor OPORA organized a press briefing on the Ukrainian INDC and future state climate policy. Over 30 media representatives, MinEcology representatives, a Member of the Verkhovna Rada, national experts, academia and the NGO community participated in this press briefing. It was the first event for mass media on the Ukrainian INDC. The purpose was to present the INDC and explain what it means for the Ukrainian economy and social development.

MERP continued coordination with international donors and technical assistance (TA) projects dealing with climate LEDS related issues. Coordination included numerous Ukrainian INDC consultations and presentation events, as well as a coordination meeting on the climate related TA projects organized by MinEcology. During this meeting, MERP presented its MRV documents, outcomes and plans on the national and regional levels and contributed discussion on further plans and activities on implementation of the MRV system in Ukraine.

LEDS Analytical Tools

MERP continued updating and populating the TIMES-Ukraine model with baseline and alternative scenarios of Ukraine's energy sector development to 2050, as well as with estimations of GHG emissions for each scenario and their combinations. The Project conducted a number of training workshops with GOU stakeholders on LEDS forecasting and the use of the TIMES-Ukraine model.

In July the Project conducted a series of three (3) sector-centric sessions to present the results of the LEDS/INDC analysis, developed using the TIMES-Ukraine energy system model. The purpose of these meetings was to present the sector specific details with respect to the key measures and actions, technology and fuel choices, and impacts. These are in terms of costs and GHG emission reductions that are necessary for each sector in order to achieve various INDC goals under uncertainty with respect to key assumptions about the Ukrainian economy and energy sector. Each meeting or workshop focused on the implications and actions associated with an individual sector. The three sector meetings were with the Ministry of Economic Development and Trade, the Ministry for Regional Development, Building and Housing, and the Ministry of Energy and Coal Industry.

In July, MERP, in cooperation with MinEcology, organized an inter-agency meeting to present the results of the LEDS/INDC analysis using the TIMES-Ukraine energy system model developed by MERP. The discussions were about the costs and GHG emissions for each sector arising from this analysis as well as the country overall. There was an accompanying debate on the costs of achieving various INDC goals under uncertainty of the economy and energy sector. The meeting employed the web-based VedaVisualization (VedaViz) system to present the results and support interactive engagement among all participants.

TASK 4.2: IMPLEMENTING LEDS-REDS THROUGH SUPPORT IN DEVELOPING AND INTRODUCING CLEAN ENERGY TECHNOLOGIES AND ENERGY SERVICES

The project finalized the Technology Needs Assessment (TNA) Report for the Municipal Sector during the reporting period. The task included preparation for publishing, editing and consultations with MinRegion. This Report is a major step in supporting CE/EE projects and selecting the best LEDS technology applicable in Ukraine. This will be the first TNA Report in Ukraine, and more important, it will cover the country's most socially sensitive sector. The Report will be published and disseminated on both the national and municipal levels. Readership includes state officials and professional NGOs, civil societies, donors and IFIs. The Report with over 500 pages is the result of 9 months of work. The public version will be an extract of the whole report and will be available on the MERP and IEEC websites. The TNA Report tries to list all low emission and climate resilient technologies applicable to the Ukrainian municipal sector with the hope of helping cities select the best available low emission technologies. The Report covers the following municipal sectors:

- 1) Heat production
- 2) Transportation
- 3) Lightning
- 4) Water & sewage
- 5) Solid waste treatment systems

TASK 4.3: DEVELOPING A UNIFORM DATABASE ON LEDS-REDS AND EXCHANGING EXPERIENCES AND BEST PRACTICES WITH OTHER COUNTRIES PARTICIPATING IN EC-LEDS

During the reporting period, MERP finalized design of the Ukrainian LEDS Database. The UA-LEDS Database used CMS Media-Wiki, and the Ukrainian database used the OpenEI international LEDS web-based platform structure. National and international experts will further populate the UA-LEDS Database with best international practices and lessons learned. Ukrainian LEDS training materials from all six modules will be used for tailoring the structure and populating the database. Project experts conducted a web portal prototype and test run in September and developed a draft menu structure. A universal UA-LEDS database outlines the LEDS process, conducts searches, updates documents, offers proposals, and allows exchange of experience.

CROSS-CUTTING ACTIVITIES

Donor coordination

At a donor coordination meeting at MinRegion, Vice Prime Minister (VPM) Hennadiy Zubko focused on helping MinRegion with decentralization and energy reforms. Acknowledging MERP's major role in conducting effective outreach campaigns to support reforms in energy sector, Mr. Zubko requested better coordination and an action plan of cooperation.

MERP coordinated closely with EBRD to support enforcement of the ESCO legislation. The two parties agreed to coordinate efforts and develop unified positions related to ESCO regulatory acts (sample EPC contract, baseline methodology, etc.).

MERP hosted an organizational meeting with USUBC, EBRD, IBSER and the USAID COR on the upcoming ESCO round table. Stakeholders worked out the event's format, objectives, participants, organizers and expected results. Another result was a preliminary agenda. MERP, IBSER and EBRD agreed to develop a draft road map for development of the ESCO sub-legislation.

In a coordination meeting on the Covenant of Mayors with Team Leader Jan Waanders of the EU funded SUDEP Project, MERP gave a presentation on its activities and assistance to the partner

cities. Mr. Waanders described the SUDEP Project, which supports implementation of energy efficiency measures in the cities with approved SEAPs.

MinEcology organized a coordination meeting for TA projects related to the Climate and Emission Trading Scheme. The EU Delegation, EBRD, World Bank, GIZ, UNDP, German Ministry of Ecology and TA projects explained their current and planned activities supporting MinEcology about climate change and GHG emissions reduction. MERP was acknowledged as the key coordinator of MRV system secondary legislation and State Climate Policy development. MinEcology used the MERP E-donor coordination platform to prepare this meeting and reflect its outcomes. MinEcology announced that from now on these meetings would take place on a quarterly basis.

EBRD also organized a coordination meeting for TA projects related to energy efficiency. The EU Delegation, EBRD, GIZ, IFC, SIDA and MERP all presented current and planned activities and discussed how to coordinate TA in the EE area.

MERP met with the World Bank (WB) representative Tamara Sulukhia to discuss the \$380 million credit line for the municipal energy projects. Ms. Sulukhia explained that investment projects were moving slowly because municipal PIUs need more capacity to develop procurement and bidding documents by WB standards, but MinRegion is not able to train them. According to Ms. Sulukhia, documents are already in place for the selected investment projects. She suggested that MERP help establish and train PIUs. MERP may add value by providing missing pieces like the municipal energy management plans. In addition, she proposed that MERP and WB cosponsor a national conference for municipal utilities. The two parties agreed to set the conference date for October 6, in conjunction with the Project's last SEAP seminar on the following two days. Combining the events saved time and money. MERP closely coordinated with the World Bank social protection team regarding its work on the reform of the social protection system. In particular, this included regular information exchange, participation in the working groups at the Ministry of Social Policy, and development of the training program for regional offices of this Ministry. The training is conducted in coordination with WB.

MERP met with representatives of the US Embassy and USAID to report on the pace of social protection reform in Ukraine. Participants discussed measures undertaken by GOU and necessary steps to ensure effective social protection for consumers of housing and communal services during the 2015-2016 heating season.

MERP conducted regular meetings with Julia Shevchuk, NEFCO Chief Investment Advisor, to review the current pipeline of investment projects in MERP partner cities and to discuss MERP support. NEFCO acknowledged the high quality of MERP business plans and stated that the credit committee intended to submit the project in Lutsk for consideration in September.

MERP helped MinEcology improve the donor coordination process for climate related TA projects. The first coordination meeting of TA projects was organized by MinEcology in September. GIZ, EBRD, BMUB, World Bank, PMR, UNDP and UNIDO participated. Major attention was on the MRV system at the national level and within SEAP activities. The MERP advance E-based donor coordination platform was utilized to organize this meeting and its follow-up.

Anti-corruption

To support additional activities called for under Activity 3, Capacity Building and Dissemination, and Mandatory Factors, MERP expanded the current program under one grant: OPORA will engage civil society and the private sector in the fight against corruption in the energy sector. OPERA will support and coordinate a network of organizations capable of identifying corruption in the energy sector and of demanding transparency, including civil society groups, anti-corruption watchdog organizations and investigative journalists. Activities include local training on anti-corruption issues, supporting local press clubs, information support and use of social media to promote anti-corruption efforts. OPORA coordinates its activities with partners: the Anti-Corruption Action Centre (AntAC), IER (Energy Research) Center, Informational Press Center

(slidstvo.info project), Transparency International, and others in the USAID Democracy and Governance portfolio.

During the reporting period, OPORA

- Established communications and reached agreement on information exchange with leading anti-corruption and journalist organizations, including the Anti-corruption Center, Transparency International, DiXi Group, the Center for Energy Research, Nashi Groshi (Our money), Slidstvo.Info, 10 local anti-corruption and four journalist groups.
- Prepared several anti-corruption surveys for all 17 partner cities, focusing on electricity consumption by water supply utilities and consumption of energy resources by heating companies. OPORA also monitored procurement of fuel and sanitary equipment by energy companies. Findings of the surveys will be published in the next Project quarter. Survey findings may further be used for infographics or journalistic investigations.
- Posted news, collected by the main companies operating in the energy sector, about tariffs and public procurement on the Facebook page <www.zhytlo.in.ua> and web-portal of ZHITLO.
- Developed the concept and cover for the Facebook page “ANTILAPA.” It will collect information on corruption cases in the energy, housing and communal services sector. The group's webpage (<https://www.facebook.com/groups/750680041724827/?fref=ts>) was launched early in September. Posts from the page were regularly disseminated to anti-corruption groups on Facebook with a total audience of around 20,000 members.
- Participated in eight anti-corruption events in the energy sector. Partner organizations presented the results of anti-corruption monitoring and journalist investigations. A separate meeting was held with members of the anti-corruption group of the Reanimation Reform Package to discuss and plan training for NGOs.
- Conducted an advocacy campaign and disseminated information on key legislative acts that will increase transparency of tariff setting and prevent corruption in the housing and communal services sector. The acts are the Draft Law “On the National Energy and Utilities Regulation Commission” and the Draft Law “On peculiarities of access to information in the electric energy supply, natural gas supply, district heating, and centralized hot water supply, potable water supply, and wastewater sectors.”

Gender

Per contract requirements, MERP ensures that men and women are equally supported through Project activities and that gender awareness and gender dynamics are taken into consideration. Gender issues are crosscutting for all Project activities. Strengthening women’s roles in the design, implementation, management, and use of sustainable energy solutions is critical for reaching development goals. During the reporting period women were actively involved in Project activities both on national and local levels. Of the 5682 people who took part in MERP events, 3566 were women and 2116 men.

Inclusive Development

MERP activities lead to a more energy efficient and less polluting municipal energy sector, including reliable heating and water services delivery for municipal populace including men, women, children, the elderly and vulnerable groups alike. Every dimension of human diversity has the potential to influence people's needs, experiences, opportunities, and rights. Therefore, the Project considers vulnerable people's needs prior to any significant interventions planned during Project implementation. The Project’s significant interventions include assistance in developing policies and monitoring policy implementation, drafting laws and regulations, establishing industry standards and product access rights, and designing and providing training programs. The Project works with a broad category of people, assuring inclusive development for all population groups.

The Project provides possibilities and creates opportunities for everyone to take part in various seminars, workshops, round tables, etc., regardless of age, sex, ethnic origin, health status, family structure, sexual orientation, education, employment, income, housing, food security, safety, or any other dimensions of human diversity.

C. DELIVERABLES

Eighth Quarter deliverables and reports of the Municipal Energy Reform Project are provided to USAID on a CD and include the following items:

#	Activity	Month	Report Title	Language
1	Activity 1	July	Draft Energy Service Model Agreement	English, Ukrainian
2	Activity 1	July	Results of discussion on Energy Service Model Agreement with the State Agency on Energy Efficiency and Energy Saving	English, Ukrainian
3	Activity 1	July	Information to the Draft Law of Ukraine “On Housing and Utility Services” published on the website Utility Ukraine on 07.07.2015 for the purpose of its public discussion before consideration of the profile committee of the Verkhovna Rada of Ukraine	English, Ukrainian
4	Activity 1	July	Reference on draft Law of Ukraine On ensuring of commercial accounting of heat, water and sanitation in field of communal services developed by Reanimation Package of Reforms (RPR) (version dated 10.07.2015)	English, Ukrainian
5	Activity 1	July	Reference On the draft Law of Ukraine On electricity market	English, Ukrainian
6	Activity 1	July	Comparison Table to the draft Cabinet of Ministers of Ukraine Resolution on Introduction of Changes to the Procedure of Spending Budgetary Funding for Effective Energy Usage and Energy Efficiency	Ukrainian
7	Activity 1	July	Annex: List of changes to the draft Cabinet of Ministers of Ukraine Resolution on Introduction of Changes to the Procedure of Spending Budgetary Funding for Effective Energy Usage and Energy Efficiency	Ukrainian
8	Activity 1	August	Presentation of I. Zapatrina at the in the 12th Financial-Economic Forum “Introduction of energy service agreements – guaranty of decreasing of energy dependence of budget sphere”	English, Ukrainian
9	Activity 1	August	Comments of MERP to Energy Service Model Agreement prepared by the State Agency on Energy Efficiency and Energy Saving	English, Ukrainian
10	Activity 1	August	Conclusion to the draft Law of Ukraine On peculiarities of access to information in field of supply of electricity, natural gas, heat supply, centralized supply of hot water, centralized drinking water supply and sanitation	English, Ukrainian

#	Activity	Month	Report Title	Language
11	Activity 1	August	Letter to Chairman of the Verkhovna Rada Committee on Fuel and Energy Complex, Nuclear Policy and Nuclear Security	English, Ukrainian
12	Activity 1	August	Comments of JurEnergoConsulting's experts on a position of EBRD experts on issues of Energy Service Model Agreement as of 01.09.2015	English, Ukrainian
13	Activity 1	August	Comments to the draft Law of Ukraine On Energy Efficiency of Buildings	English, Ukrainian
14	Activity 1	September	Information on the Draft Law of Ukraine "On Commercial Metering in the Spheres of Heat Supply, District Water Supply and Sanitation, and Providing Utilities" Developed by the RPR (September 2015)	English, Ukrainian
15	Activity 1	September	Final draft of the Energy Efficiency Audits of Buildings Methodology prepared by the Ministry of Regional Development, Construction and Communal Housing of Ukraine	Ukrainian
16	Activity 1	September	Energy Management System for Budgetary Institutions Action Plan	Ukrainian
17	Activity 1	September	Draft Decree of the Cabinet of Ministers of Ukraine «On Action Plan to Implement Energy Management Systems in Budgetary Institutions"	Ukrainian
18	Activity 1	September	Draft Cabinet of Ministers of Ukraine Resolution on Introduction of Changes to the Procedure of Spending Budgetary Funding for Effective Energy Usage and Energy Efficiency	Ukrainian
19	Activity 1	September	Explanatory Note to the Draft Cabinet of Ministers of Ukraine Resolution on Introduction of Changes to the Procedure of Spending Budgetary Funding for Effective Energy Usage and Energy Efficiency	Ukrainian
20	Activity 1	September	MDI Report on Training for NERC staff	Ukrainian
21	Activity 1	September	Presentation: Wrap Up Meeting with Pilot Licensee Heating Supply Enterprises to Discuss Reporting Forms Testing Results	Ukrainian
22	Activity 1	September	Presentation: Wrap Up Meeting with Pilot Licensee Water Supply and Sewage Enterprises to Discuss Reporting Forms Testing Results	Ukrainian
23	Activity 1	September	List of key indicators in the area of water supply and sewage system which need to be approved by NERC	Ukrainian
24	Activity 2	July	Draft project proposal to increase energy efficiency of budgetary institutions in the city of Khmelnytsky	Ukrainian
25	Activity 2	July	Draft project proposal to increase energy efficiency of budgetary institutions in the city of Lutsk	Ukrainian

#	Activity	Month	Report Title	Language
26	Activity 2	July	Annex 1: Presentation of the Arnica Center on Comprehensive Modernization of Centralized Heating and Buildings	Ukrainian
27	Activity 2	July	Annex 2: Presentation of the Arnica Center on Household Solid Waste as a Household Energy Reserve	Ukrainian
28	Activity 2	July	Annex 3: Presentation of the Arnica Center on Household Solid Waste as a Reserve of Municipal Energy and a Way to Reduce CO2 Emissions	Ukrainian
29	Activity 2	July	Annex 4: Package of documents to create municipal UESC in the city of Kryvyi Rih	Ukrainian
30	Activity 2	July	Presentation: Hiring Consultants for EBRD Projects	Ukrainian
31	Activity 2	July	Presentation: Purchase of goods, works and services for EBRD projects	Ukrainian
32	Activity 2	July	Zaporizhzhia City Council Decision on Creation of the Communal Enterprise "Energy Agency" of Zaporizhzhia City Council	Ukrainian
33	Activity 2	July	Energy Audit Reports - Sumy	Ukrainian
34	Activity 2	July	Energy Audit Reports with Recommendations for Kyiv	Ukrainian
35	Activity 2	July	Preliminary Feasibility Study: Introduction of Energy Management System for Budgetary Institutions in the city of Kyiv	Ukrainian
36	Activity 2	July	Investment Projects Register (Under Sustainable Energy Development Action Plan), 2015-2030, Kyiv (SEAP)	Ukrainian
37	Activity 2	July	2013 Emissions Inventory, Ternopil (Excel file) (SEAP)	Ukrainian
38	Activity 2	July	Report on preparation and holding of an extended working group meeting to present the updated Sustainable Energy Development Action Plan (Vinnytsia, July 6)	Ukrainian
39	Activity 2	July	Report about the 3rd training of communal enterprises and local administrations staff on the development and implementation of sustainable energy development action plans	Ukrainian
40	Activity 2	August	Annex 5: Energy Management System in the city of Kryvyi Rih. Creation of the communal enterprise - Kryvyi Rih Municipal Energy Servicing Company	Ukrainian
41	Activity 2	August	Annex 6: Minutes of the working group meeting on implementation of the Sustainable Energy Development Plan of the city of Kryvyi Rih till 2020 and Energy Efficiency Program of the city of Kryvyi	Ukrainian

#	Activity	Month	Report Title	Language
			Rih for 2010-2015/	
42	Activity 2	August	Annex 7.1: Explanatory Note: Energy Economic Models for Measures to Reduce CO2 Emissions in the Communal Systems.	Ukrainian
43	Activity 2	August	Annex 7.2: Information on Energy Economic Models for Systems (Excel file)	Ukrainian
44	Activity 2	August	Report on the Status of the Setup of the Project Implementation Team of the Heating Networks Communal Enterprise under Ternopil City Rada as of 05.08.2015	Ukrainian
45	Activity 2	August	Energy Audit Materials - Kryvyi Rih	Ukrainian
46	Activity 2	August	Energy Audit Reports with Recommendations for Ternopil	Ukrainian
47	Activity 2	August	Sustainable Energy Development Action Plan of the city of Kyiv 2015-2030 (SEAP)	Ukrainian
48	Activity 2	August	Sustainable Energy Development Action Plan of the city of Pavlohrad 2015-2031 (SEAP)	Ukrainian
49	Activity 2	August	Ivano-Frankivsk Sustainable Energy Development Program till 2020 (SEAP)	Ukrainian
50	Activity 2	September	Information note on the fourth study seminar for representatives of resource centers supporting OSBB on clean energy issues	Ukrainian
51	Activity 2	September	Updated version of the Sustainable Energy Development Action Plan for Lutsk	Ukrainian
52	Activity 2	September	Report on the training for resource centers supporting OSBB on clean energy issues on September 7-8, 2015, Kyiv	Ukrainian
53	Activity 3	September	Municipal Energy Reform in Ukraine project (MERP), Capacity Building Report	English
54	Activity 3	July	Report on the organizational capacity and policies of "Energy Efficient Cities of Ukraine Association" - independent evaluation	Ukrainian
55	Activity 3	July	Report on the organizational capacity and policies of "Association of Energy Auditors in Communal Housing Area"- independent evaluation	Ukrainian
56	Activity 3	July	Report on the organizational capacity and policies of NGO "Association of Energy Engineers of Ukraine" - independent evaluation	Ukrainian
57	Activity 4	July	Guideline for the project technologies selection	Ukrainian
58	Activity 4	July	Draft Climate Change Strategy	Ukrainian
59	Activity 4	July	Proposals on the Framework Climate Low Emission Development Strategy	Ukrainian

#	Activity	Month	Report Title	Language
60	Activity 4	July	Annex 1 to the Proposals on the Framework Climate Low Emission Development Strategy	Ukrainian
61	Activity 4	July	Annex 2 to the Proposals on the Framework Climate Low Emission Development Strategy – Proposals on the General Content and Main Provisions of the Climate Low Emission Development Strategy	Ukrainian
62	Activity 4	July	Report on Development and Assessment of Low Emission Development (LED) Scenarios for the Ukrainian Energy Sector (energy sector in the sense of IPCC)	Ukrainian
63	Activity 4	August	Report on Assessment of Social and Economic Impact from Introduction of Low Emission Development Scenarios (Energy Sector in the Sense of IPCC) and Industrial Processes in Ukraine	Ukrainian
64	Activity 4	August	Report on Development of the Structure and Contents of Intended Nationally Determined Contributions (INDC) of Ukraine in Achievement of the Goal of Restraining Global Temperature Increase Within the Limit of 2°C Through 2100, with Incorporation of the Effective Normative and Legal Framework of Ukraine and International Experience	Ukrainian
65	Activity 4	August	Minutes of Interdepartmental Commission for Implementation of the United Nations Framework Convention on Climate Change	Ukrainian
66	Activity 4	August	Center for Climate Strategies Progress Report	English
67	Activity 4	August	Presentation: Guidance for installations on GHG Emissions Monitoring and Reporting	Ukrainian
68	Activity 4	August	Preliminary Ukrainian draft of the Monitoring, Reporting and Verification (MRV) Regulation – General guidance for installations	Ukrainian
69	Activity 4	August	Draft Decree of Cabinet of Ministers of Ukraine Contribution (INDC) of Ukraine to the New Global Climate Agreement	Ukrainian
70	Activity 4	August	Presentation: Intended Nationally Determined Contributions (INDC) of Ukraine: Energy and Industrial Processes Sectors (TIMES-Ukraine model)	Ukrainian
71	Activity 4	August	Presentation: Intended Nationally Determined Contribution (INDC) into New Climate Agreement 2020-2030	Ukrainian
72	Activity 4	August	Presentation: Scenarios of Low Emission Development of Ukraine's Energy and Fuel Complex	Ukrainian

#	Activity	Month	Report Title	Language
73	Activity 4	September	Draft Concept Paper on the Monitoring, Reporting and Verification (MRV) Training Course for Operators, National Coordination Body Staff and Other Interested Parties	Ukrainian
74	Activity 4	September	Draft Decree of the President of Ukraine on the National Climate Change Strategy	Ukrainian
75	Activity 4	September	Report on GHG Emissions Modelling in Ukraine till 2030 and Thereafter	Ukrainian
76	Activity 4	September	Unofficial working translation of the “Verification of Greenhouse Gas Emission Reports and Tonne-Kilometre Reports and the Accreditation of Verifiers Pursuant to Directive 2003/87/EC of the European Parliament and of the Council (COMMISSION REGULATION (EU) № 600/2012	Ukrainian
77	Activity 4	September	Cover letter and the Document on Intended Nationally-Determined Contribution (INDC) of Ukraine to a New Global Climate Agreement	English, Ukrainian
78	Activity 4	September	Unofficial working translation of the Monitoring and reporting Regulations for Installations included into the European Union Emissions Trading Scheme (EU ETS) in line with COMMISSION REGULATION (EU) № 601/2012 of June 21, 2012	Ukrainian
79	Activity 4	September	Presentation: Monitoring, Reporting and Verification Regulations: General Requirements	Ukrainian
80	Activity 4	September	Draft Glossary on MRV regulations for GHG Emissions in Ukraine	English, Ukrainian

D. SCHEDULES AND MILESTONES

The list of milestones for Year 2 of the project and completion status are presented below.

Deadline	Milestone	Status
30 Nov 2014	M 2.1.1 Second group cities agreed with donors and approved by USAID	Completed
30 Dec 2014	M 2.3.1 Local capacity built on Municipal Energy Management	Completed
	M 3.1.1 Grants awarded to local NGOs	Completed
	M 3.1.2 Comprehensive training provided according to Capacity Building Plans	Completed
	M 4.1.1 6th National Climate Change Communication Report	Completed
30 Jan 2015	M 1.2.1.1 Annual Work Plan developed and agreed with NECSRC	Completed
28 Feb 2015	M 2.2.1 SEAPs of the first group of cities approved by city authorities, submitted to EU	Completed
30 Mar 2015	M 1.2.1.2 Capacity Building Plan developed and agreed with NECSRC	Completed
30 Apr 2015	M 1.4.2 Standard on Energy Audits in Buildings approved	Partially completed
	M 2.6.2 Key PSAs on municipal EE and RE developed	Completed
30 May 2015	M 1.5.1 Public Communication, Messaging and Outreach Concept and an action plan approved by USAID	Completed
	M 2.2.4 SEAP data collected	Completed
30 Jun 2015	M 1.5.2 Public information materials and PSAs on EE/CE and social safety nets developed	Partially completed
	M 2.3.2 Energy Management Systems established in partner cities	Partially completed
30 Jul 2015	M 1.2.3.1 Improved investment methodology	Partially completed
	M 1.2.4.1 Utilities trained to properly implement accounting rules	Completed
	M 2.2.3 Institutional basis and capacity built for SEAPs in second group of cities	Completed
	M 4.1.4 LEDS analytical tools applied by two GOU agencies	Completed
	M 4.1.3 TNA Report and TNA Brief Manual.	Completed
30 Aug 2015	M 1.1.1 Implementation started of GOU National Action Plans on EE and RE	Partially completed
	M 1.1.2 Improved donor coordination to support key legal and regulatory changes in municipal energy sector	Completed
	M 1.1.3 Key municipal EE and RE legislation developed and approved by the Rada	On-going
	M 1.2.4.3 New regulatory benchmarking system developed	Partially completed
	M 2.6.1 PR coordination established and operational	Completed
	M 3.1.3 NGO certification of eligibility conducted	Completed

Deadline	Milestone	Status
	M 4.2.2 Road Map on Implementation of Clean Energy Projects.	Completed
	M 1.2.3.3 Basis for RAB incentive tariff regulation established	Completed
30 Sep 2015	M 1.2.2.3 Capacity of NECSRC improved	Completed
	M 1.2.3.2 Quality of Services enacted by NECSRC	Partially completed
	M 1.2.3.4 Tariff affordability assessed	Completed
	M 1.2.4.2 New regulatory reporting taught to utilities	Partially completed
	M 1.3.1 Coordination with WB, GOU and other donors on social protection is functioning	Completed
	M 1.3.2 New system of social subsidies to low-income consumers operational	Completed
	M 1.3.3 Transparency of social subsidies to low-income consumers improved	Completed
	M 1.4.1 Enforcement supported for Energy Management Standard	Completed
	M 1.4.3 Two new energy standards developed	Partially completed
	M 1.5.3 Public messaging and education on social safety net conducted	Partially completed
	M 1.5.4 National public awareness campaign to promote energy efficiency, energy conservation and renewable energy, implemented	On-going
	M 2.2.2 Investment proposals developed to attract IFIs financing in the first group of cities	Completed
	M 2.2.5 SEAPs prepared and discussed with local communities	Partially completed
	M 2.2.6 Preparation of bankable projects started for second group of cities	Completed
	M 2.4.1 DCA with Bank L'viv is functioning well	On-going
	M 2.4.2 New DCA on energy efficiency and renewable energy started	Completed
	M 2.6.3 Public events organized to support SEAPs and investments in municipal EE and RE	Completed
	M 3.1.4 NGO Capacity Building Report developed	Completed
	M 3.1.5 Local anti-corruption coalitions established	Completed
	M 3.1.6 Improved transparency and disclosure supported	Completed
	M 4.1.2 EC LEDS coordination, capacity and planning improved	Partially completed
	M 4.1.5 Draft KPIs developed for LEDS implementation	Completed
	M 4.2.1 Interagency Commission on UNFCCC Provisions Implementation activity Enhanced	Completed
	M 4.3.1 LEDS Database prepared	Partially completed

Changes to the implementation schedule (milestones) for Year 2 of the project are presented below:

Milestone	Comments
M 1.1.1 Implementation started of GOU National Action Plans on EE and RE	Draft National Action Plan on EE approved on 27/09/2015. The expected completion date is November 30, 2015.
M 1.1.3 Key municipal EE and RE legislation developed and approved by the Rada	Recommendations on legislative acts prepared. The activity will continue in Year 3.
M 1.2.3.1 Improved investment methodology	Draft investment methodology prepared and discussed with NECSRC. The expected completion date is February 28, 2016.
M 1.2.3.2 Quality of Services enacted by NECSRC	Report prepared by MERP experts in April 2015. An additional input will be provided by International Expert. The expected completion date is February 29, 2016.
M 1.2.4.3 New regulatory benchmarking system developed	Partially completed. An additional input will be provided by International Expert. The expected completion date is December 31, 2015.
M 1.4.2 Standard on Energy Audits in Buildings approved	Standard prepared and awaiting final (governmental) approval. The expected completion date is November 30, 2015.
M 1.4.3 Two new energy standards developed	One energy standard developed and one standard is under development.
M 1.5.2 Public information materials and PSAs on EE/CE and social safety nets developed	Development of informational materials initiated. Implementation dates shifted due to Outreach Concept approval in July 2015. The activity will start in October 2015.
M 1.5.3 Public messaging and education on social safety net conducted	Development of informational materials initiated. Implementation dates shifted due to Outreach Concept approval in July 2015. The activity will start in October 2015.
M 1.5.4 National public awareness campaign to promote energy efficiency, energy conservation and renewable energy, implemented	Development of informational materials initiated. Implementation dates shifted due to Outreach Concept approval in July 2015. The activity will start in October 2015.
M 2.2.5 SEAPs prepared and discussed with local communities	SEAPs drafts prepared. Public hearings and discussions are underway. We expect that all SEAPs will be approved by December 31, 2015.
M 2.3.2 Energy Management Systems established in partner cities	Two cities of 7 (first group) have approved/implemented EM. The activity will continue in Year 3.
M 2.4.1 DCA with Bank L'viv is functioning well	As of September 30, 2015, the DCA utilization ratio is 10.59% (7 loans issued), in line with MER Project targets. However, there were no loans issued during reporting period and the bank has no applications in the bank's pipeline. According to Bank officials, they are now disadvantaged compared to banks in the state program, which has partial loan compensation (grants).

Milestone	Comments
M 4.1.2 EC LEDS coordination, capacity and planning improved	3E Baseline development started, state and academia experts involved. Delayed due to absence of officially appointed Minister of Ecology.
M 4.3.1 LEDS Database prepared	Prototype is ready and substantial sections discussed with stakeholders and LEDS training participants. US experts are providing their lessons learned experience along with supervising the process. The expected completion date is November 30, 2015.

E. PROBLEMS

The list of key problems (challenges) affecting MERP project implementation are presented below:

- A number of significant political and social events that caused instability in the GOU counterparts (management changes) and significant restructuring of GOU agencies;
- Increased GOU attention to the war in eastern Ukraine affected implementation schedules at the national and local levels;
- Lack of finance and limited capacity at the local (municipal) level do not allow for effective (rapid) implementation of EE projects identified in SEAPs, and affect implementation of energy management;
- Macroeconomic situation (interest rates, currency exchange) has considerable affect on commercial and IFI's lending and investment;
- Lack of political will at the central governmental level to implement tariff setting methodologies and other regulatory acts (for example those, which may lead to tariff increase).

F. PERFORMANCE INDICATORS

The Plan was approved by USAID in April 2014.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Project Purpose: Enhanced Energy Security														
0.1	Energy Intensity (context indicator)	Units: Tons of oil equivalent/per thousand USD Sources: GOU (State Statistics Committee, Ministry of Economy, SAE); World Bank; IEA reports	Annually ¹	0,69 2012	n/a	n/a	n/a	n/a	n/a		n/a		n/a	
	Definition: Energy intensity as units of energy per unit of GDP Justification: Context indicator provided by the USAID Mission. This measures the energy efficiency of a nation's economy. Disaggregated By: N/A													
0.2	Net energy imports as percent of energy use (context indicator)	Unit: percentage Sources: GOU (State Statistics Committee and Ministry of Energy); World Bank; IEA reports	Annually	37.9 2012	n/a	n/a	n/a	n/a	n/a		n/a		n/a	
	Definition: Ratio of net energy imported and energy used for all economic sectors. Justification: Context indicator provided by the USAID Mission. This measures dependence of Ukrainian economy from imports of energy resources. Disaggregated By: N/A													
0.3	Emission Intensity (context indicator)	Unit: metric tons of CO ₂ equivalent per thousand USD Sources: GOU (State Statistics Committee and Ministry of Environment); World Bank	Annually	2.99 2011	n/a	n/a	n/a	n/a	n/a		n/a		n/a	

¹ For all context indicators MERP expects a 4 to 7 month lag for FY required M&E Plan reporting of ACTUAL numbers. Municipalities, GOU entities are only available on a calendar year (CY) basis, NOT quarterly, and even then NOT UNTIL CY annual reports are released in March-April time frame. For international organizations' index data, we expect a lag of 12 months.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	Definition: Emission intensity as ratio of GHG emissions produced by Ukraine’s economy to GDP Justification: Context indicator provided by the USAID Mission. This measures the average GHG emission rate from national economic activities. Disaggregated By: N/A													
0.4	Number of beneficiaries with improved energy services due to USG assistance	Unit: Number of people, in thousands Sources: Implementing partners: Energy companies / utilities; municipalities, Ministry of Regional Development, Construction, Housing and Communal Services (MinRegion)	Annually	0	120	0* *Data collection in process	700	239 ²	580		400		1,800	
	Definition: This is the number of people who benefit from improved energy services due to USAID assistance. Illustrative examples of improved energy service include a new electricity connection, improved cook stoves, improved access to gas, increased number of hours of electricity service, reduced outages and reduced voltage fluctuations. Justification: This is standard indicator 4.4.1-31. The number of beneficiaries of USAID- assisted energy services indicates increased availability of energy for more rapid and sustained economic growth and social development. Disaggregated By: Geographical unit, gender													
Objective 1.0: Improved Energy Policies														
1.0.1	Index of environmental performance (context indicator)	Unit: Aggregate index based on 25 indicators Sources: Columbia University	Annually	49.01 Calculated in 2014 (2012 data)	n/a	n/a	n/a	n/a	n/a		n/a		n/a	
	Definition: Environmental performance index based on the experience of the Yale Center for Environmental Law and Policy (YCELP) and the Center for International Earth Science Information Network (CIESIN) at Columbia University. “Index” as an aggregate of performance indicators, which generally implies conversion to common units (or a unitless scale) and weighted or unweighted aggregation, i.e., averaging, adding, or applying other mathematical operations. Justification: Context indicator provided by the USAID Mission. The strength of the EPI is in its expert consensus-based framework that identifies critical environmental policy issues and calculates scientifically rigorous metrics on a common and comparable scale. Disaggregated By: N/A													
1.0.2	Number of laws, policies, strategies, plans, agreements or regulations addressing climate change and or	Unit: Number of documents Sources: Implementing partners; Ministry of Energy; MinRegion; Ministry of	Annually	0	2	4	3	5	4		3		12	

² Number of people, in thousands, affected by investments.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	biodiversity conservation officially proposed, adopted, or implemented as a result of USG assistance	Environment; Ministry of Economy; Rada Committees; Association of Ukrainian Cities; NECSRC; SAE												
Definition: Laws, policies, strategies, plans, agreements or regulations include those measures developed to address climate change and/or biodiversity conservation issues. If a measure is not yet adopted, it must at least be formally proposed within an official government process to be reported.														
Justification: This is standard 4.8.2-28 that measures critical adoption of climate change laws, policies, strategies, regulations needed for municipal energy reform. Activities use this indicator to monitor achievement towards targets related to results statements of the adaptation results framework. USG programs aggregate data for this indicator to track progress of the global portfolio towards high-level outcomes of the adaptation pillar.														
Disaggregated By: Type of documents and their approval stage (based on legal score card)														
Sub-objective 1.1 Legislation that supports CE/EE investments is in force														
1.1.1	Business Environment for Energy Index (context indicator)	Unit: Aggregate Index Sources: World Bank Group leads the preparation of the BEE index in close collaboration with other MDBs	Annually	Under development by WB	n/a	n/a	n/a	n/a	n/a		n/a		n/a	
	Definition: Business Environment For Energy (BEE) Index (administered by Clean Investment Fund). The BEE index tracks policy indicators related to improving the business environment for investments in renewable energy, energy efficiency, and energy access in each country. Justification: Context indicator provided by the USAID Mission. The BEE index permits the analysis of the progress on enabling environment conditions for each country, as a benchmark for monitoring progress over time. Disaggregated By: N/A													
1.1.2	Number of policy reforms/ laws/ regulations/administrative procedures drafted and presented for public or stakeholder consultation to enhance sector governance and/or facilitate private sector participation and competitive markets as a result of USG assistance	Unit: Number of documents Sources: Implementing partners; Ministry of Energy; MinRegion; Ministry of Environment; Ministry of Economy; Rada Subcommittee on Communal Services; Association of Ukrainian Cities; NECSRC; NERC	Annually	0	5	13	4	23	4		3		16	
	Definition: Number of reforms, regulations, and procedures drafted by USG implementers and discussed with local stakeholders Justification: This is standard 4.4.1-33 FAF indicator that measures critical adoption of policy/procedural improvements needed for sector reform. An improved enabling environment is essential for attracting investment and improving the sustainability of all energy services. Disaggregated By: Type of documents and their approval stage (based on legal score card)													
Intermediate result (outcome) 1.1.2.1 Advanced coordination of GOU and donors established														

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
1.1.2.1	Number of GOU Working Group meetings assisted by USG to support legal and regulatory municipal energy reforms	Unit: Number of Working Group meetings Sources: Implementing partners; Ministry of Energy; MinRegion; Ministry of Environment; Ministry of Economy; Rada Subcommittee on Communal Services; Association of Ukrainian Cities; NECSRC	Semi-annually	0	8	17 (34)	8	62	8		6		30	
	Definition: Number of GOU WG meetings organized and assisted by the project experts to advance improvement of legal and regulatory environment of municipal energy reform. Justification: This is project level indicator measuring project efforts in coordinating GOU agencies in municipal energy reform. Disaggregated By: N/A													
1.1.2.2	Advanced e-based donor coordination platform developed and used to support municipal energy reform	Unit: Process indicator (S1-S4) Sources: Implementing partners; donors	Semi-annually	0	S1/S2	S1/S2	S3/S4	S3/S4	S4		S4		S4	
	Definition: E-based platform developed to support advanced donor coordination on municipal energy reform. Process indicator: S1 – concept developed; S2 – technically implemented; S3 – training organized; S4 – e-based tool is used Justification: Indicator of improved donor coordination with support of IT-tool. Support and facilitate exchange of agenda, legal and technical documents, public outreach materials and best practices Disaggregated By: N/A													
Sub-objective 1.2 GOU implement a sound LEDS-REDS														
1.2.	Number of institutions with improved capacity to address climate change issues as a result of USG assistance	Unit: Number of entities Sources: Implementing partners; Ministry of Energy; MinRegion; Ministry of Environment; Ministry of Economy; Rada committees; professional associations; municipalities	Annually	0	8	7	8	39	7		2		25	
	Definition: Institutions with improved capacity to address climate change issues have new or increased ability to use new or different approaches, processes, strategies, or methodologies to mitigate and/or adapt to climate change. Measuring improved institutional capacity to address climate change, an initial baseline assessment of the targeted capacity and a post-intervention assessment. Relevant institutions include partner government or regional government institutions (such as ministries, departments, or commissions), private sector entities, local civil society organizations, and trade unions, among others. Justification: This is standard indicator 4.8.2-14 that measures government ability and improved capacity to implement LEDS-REDS Disaggregated By: Type of entities													
Intermediate result (outcome) 1.2.1. Better understanding of GCC and LEDS-REDS issues														
1.2.1	Number of people receiving training in global climate change as a result of USG assistance	Unit: Number of people Sources: Implementing partners; GOU entities; municipalities; industry professionals and their associations	Semi-annually	0	200	256	200	532	300		300		1000	

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	Definition: Training is defined as a learning activity for participants involving 1) a setting intended for teaching or transferring knowledge, skills, or attitudes; 2) formally designated instructors or lead persons; and 3) a defined curriculum, learning objectives, and outcomes. This indicator focuses on delivery of training that was made possible through full or partial funding from the USG. This could include provision of funds to pay teachers, providing hosting facilities, or other key contributions necessary to ensure training was delivered. Justification: This is standard 4.8.2-6 GCC indicator that measures increased knowledge on GCC and LEDS-REDS Disaggregated: Gender													
Intermediate result (outcome) 1.2.2 Better use of analytical tools for LEDS-REDS														
1.2.2	Number of GOU and local government entities using TIMES-Ukraine model or MEIS for planning and projecting GHG emission reduction	Unit: Number of entities Sources: Ministry of Energy; MinRegion; Ministry of Environment; Ministry of Economy; municipalities SAEE; SAEI; implementing partners	Semi-annually	0	8	7	6	7	5		1		20	
	Definition: Number of national and local government entities trained on TIMES-Ukraine or MEIS and able to use model for LEDS-REDS, i.e., SEAPs Justification: Indicator of capacity building on TIMES-Ukraine at the GOU level and MEIS at the municipal level which ensures analytical support for LEDS-REDS Disaggregated By: Type of entities													
Sub-objective 1.3 GOU apply improved tariff methodologies and target household subsidies														
1.3.1	Number (and percentage) of GOU-regulated utility companies that apply cost-reflective, incentive-based tariff(s) as a result of USG assistance	Unit: Number of companies Sources: NECSRC, regulated utilities, associations of utilities, municipalities, implementing partners	Annually	0	0	0	0	0	10		90		100	
	Definition: Number of regulated utilities that applied cost-reflective methodology with incentive towards EE investments Justification: Indicator of introduction of cost-reflective tariffs that lead to EE investments in municipal utilities Disaggregated By: Geographic unit													
1.3.2	Percentage of Ukraine consumers served by GOU-regulated utilities that apply cost-reflective, incentive-based tariff(s) as a result of USG assistance	Unit: Percentage Sources: NECSRC , regulated utilities, associations of utilities, municipalities, implementing partners	Annually	0	0	0	0	0	2		18		20	
	Definition: Percentage of consumers served by regulated utilities that apply new cost reflective incentive based tariff methodology Justification: Indicator of introduction of cost-reflective tariffs that lead to better service to end-consumers Disaggregated By: Geographic unit													
Intermediate result (outcome) 1.3.2.1 Improved capacity of the Regulator and utilities on developing and using incentive tariffs and benchmarking methodologies														
1.3.2.1.1	Energy market Regulator's capacity as a result of USG assistance	Unit: Process indicator (S1-S4) Sources: NECSRC ; municipal utilities; implementing partners	Semi-annually	0	S1/S2	S1/S2	S2/S3	S2	S3		S4		S4	

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	Definition: National Energy and Communal Services Regulatory Commission improved its capacity to regulate utilities in accordance with the best international practices. Process indicator: S1 – OCA conducted to identify areas for improvement; S2 – Capacity Building Plan prepared and implemented; S3 – Regulatory Information Management System developed and operational; S4 – International Best practices transferred and used Justification: Indicator of capacity building for NECSRC; measures progress of improved regulatory capacity to support market reform Disaggregated By: N/A													
1.3.2.1.2	Transparent incentive based tariff methodologies developed and approved by National Regulator	Unit: Process indicator (S1-S4) Sources: NCCSMR; municipal utilities; implementing partners	Semi-annually	0	S1/S2	S1/S2	S2	S2	S3		S4		S4	
	Definition: Methodologies for cost-recovery incentive tariffs developed with assistance of USG programs. Capacity built for the Regulator, its regional offices and municipal utilities to use them. Process indicator: S1 – Methodologies developed and approved; S2 – Training and capacity building seminars provided; S3 - Methodologies tested on pilot utilities; S4 – Enforcement started Justification: Indicator of introduction and capacity building on new tariff and benchmarking methodologies needed to improve financial and operation performance of municipal utilities Disaggregated: N/A													
Intermediate result (outcome) 1.3.2.2 Adverse effect of tariff increases on vulnerable population is mitigated														
1.3.2.2	Number of people that benefit from strengthened social policy and improved subsidies system (direct, means tested, monetized)	Unit: Number of people Sources: Implementing partners; Ministry of Labor; State Statistics Agency; municipalities	Semi-annually	0	5,000	2,000	10,000	3,686.048	20,000		25,000		60,000	
	Definition: Number of people in the cities involved in improved social safety-net protection program developed with USG assistance Justification: Indicator of improvement of subsidies system needed for enforcement of cost-recovery tariffs Disaggregated By: Geographic unit; gender													
Sub-objective 1.4 GOU applies modern EE standards														
1.4	Number of EE and CE standards developed and approved by the GOU as a results of USG assistance	Unit: Number of documents Sources: Implementing partners; MinRegion; MinEconomy; SAAE; professional associations	Semi-annually	0	2	2	2	1	2		0		6	
	Definition: Number of EE and CE standards prepared and approved with USG assistance Justification: Indicator of improvement of energy standards in accordance with requirements of Energy Community Disaggregated By: N/A													
Objective 2.0: Increased Energy Efficiency														

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2.0	Energy saved as a result of USG assistance ³	Unit: Million cubic meters of gas Sources: Implementing partners; GOU entities; municipalities; private partners; utilities; IFIs; commercial banks	Annually	0	0	0	70	118.7	83		113		266	
	Definition: Measures the amount of energy saved through efficiency or substitution measures indicated in SEAPs , LEDS-REDS sectorial strategies and implemented with USG assistance. It takes into account total savings over a 5-year project life. Justification: Indicator of energy saved from implementation of policy and project measures. Disaggregated By: Geographic unit													
Sub-objective 2.1 Increased access to CE production and EE improvement services														
2.1	Number of CE/EE improvement projects prepared and implemented as a result of USG assistance	Unit: Number of projects Sources: Implementing partners; energy companies / utilities; municipalities, MinRegion, IFIs, commercial banks and private investors	Annually	0	0	0	6	6	5		4		15	
	Definition: Number of CE/EE projects prepared for IFIs, commercial banks, or private sector investments by project experts, including feasibility studies, business plans, technical specifications, tender documents Justification: Indicator that municipalities and utilities are moving forward productively in preparation of investment proposals and securing funding for making CE/EE improvements Disaggregated By: Geographic unit													
Intermediate result (outcome) 2.1.1 Sustainable energy planning and energy management introduced														
2.1.1.1	Number of low emissions development strategies developed as a result of USG assistance (LEDS, SEAP, other)	Unit: Number of plans Sources: Implementing partners; energy companies / utilities; municipalities	Semi-annually	0	6	3 (4 under developo ment)	5	4 (8 under developm ent)	4		0		15	
	Definition: Number of strategic action energy plans developed, completed and presented for approval in 15 cities (in accordance with Covenant of Mayors requirements) with Project assistance. Justification: Indicator that selects municipalities taking productive steps toward developing and implementing a long-term, economically efficient, and environmentally sustainable energy strategy, using where possible renewable energy sources. Disaggregated By: Geographic unit													

³ Indicator targets for Energy Saved use economic and energy price assumptions. If the economic situation changes dramatically (more than 20%, e.g., currency exchange rate), MERP will recommend revision of the proposed targets for this indicator.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2.1.1.2	Number of cities involved in energy management as a result of USG assistance	Unit: Number of cities Sources: Implementing partners; municipalities and utilities	Semi-annually	0	6	7	5	15	4		0		15	
	Definition: Number of cities that developed and approved energy management systems based on ISO 50001.													
	Justification: Indicator of energy management systems in the cities to sustain municipal energy reforms													
	Disaggregated By: Geographic unit													
Sub-objective 2.2 Expanded opportunities for training in CE/EE														
2.2	Labor hours of training completed in technical energy fields supported by USG assistance	Unit: Number of labor-hours in training Sources: Implementing partners; GOU entities; municipalities; industry professionals and their associations	Annually	0	3,680	7,328	3,200	48,350 ⁴	2,400		1,280		10,560	
	Definition: This indicator uses the following equation (number of training sessions x number of persons x number of hours) to express the number of USG-supported training hours that were completed by training participants.													
	Justification: This is standard indicator 4.4.1-34. Indicator of capacity building to ensure future ability to reform and sustain the sector reforms.													
	Disaggregated By: Type of person trained; type of training provided; gender													
Intermediate result (outcome) 2.2.1 Local capacity to implement CE/EE initiatives through direct donor awards is improved														
2.2.1	Number of local organizations engaged in capacity building to prepare for receiving direct donor assistance	Unit: Number of organizations Sources: Implementing partners; municipalities; NGOs, industry professionals associations	Semi-annually	0	3	5	2	4	0		0		5	
	Definition: Number of local NGOs and professional associations involved in training on improved organizational, financial management, HR, and technical capacity to be qualified for USAID and other donor funding													
	Justification: Indicator of capacity building for local NGOs and professional associations to ensure future ability to reform and sustain the sector reforms.													
	Disaggregated By: Geographic unit													
Sub-objective 2.3 Increased public appreciation of EE benefits														
2.3	Public acceptance of energy Efficiency and clean energy measures as a result of USG assistance	Unit of Measure: Percentage of people Sources: Implementing partners; municipalities; industry professionals associations and CSOs; utilities; HOAs associations and Resource Centers	Annually	0	5	10	10	≈10 (data is being collected, survey)	10		25		50	

4 The final number can be higher, based on additional data to be received from the WB on attendance of social protection seminars held in September 2015. WB has been contacted.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
	Definition: Percentage of people surveyed who express support of a shift to energy efficiency and clean energy measures Justification: Indicator of how USG assistance improved public awareness and support to municipal energy efficiency and clean energy measures in 15 partner cities Disaggregated By: Geographic unit; gender													
Intermediate result (outcome) 2.3.1 Targeted outreach campaign prepared and implemented														
2.3.1	Number of events undertaken to promote energy-efficient reforms and institutionalize a public participation process	Unit: Number of events Sources: Implementing partners; professional associations; municipalities; GOU entities	Semi-annually	0	8	12	15	42	7		8		30	
	Definition: Number of public events undertaken to promote energy-efficient reforms and institutionalize public participation processes. Includes public opinion surveys, conferences, round tables, high-level discussions, public hearings, public city councils, hearings and public information campaign activities. Justification: Indicator of how USG assistance support public events needed for official and public acceptance for municipal energy reform, i.e., CE/EE plans, programs and project cities Disaggregated By: Geographic unit													
Objective 3.0: More Private Investment in Energy Sector														
3.0	Amount of investment leveraged in US dollars from private and public sources for climate change as a result of USG assistance	Unit: Millions of US Dollars Sources: Implementing partners; energy companies / utilities; investors; banks; IFIs; commercial banks	Annually	0	0	0	55	71.2	65		80		200	
	Definition: Funding leveraged, as a result of USAID assistance, for climate change programs, that support actions, activities, projects or programs that reduce or sequester GHGs or increase capacity to adapt to the impacts of climate variability and change. Funding may be leveraged from the public sector, e.g., other donors, or private sector financing, e.g., corporate investments, and must be additional to USG funds invested in a program and must advance the objectives established by the USG-supported program. Leveraged funds can include funding transferred to a common funding instrument, delivered in parallel or provided in-kind. Justification: This is standard indicator 4.8.2-10. USG funds are intended to be catalytic and to have sustainable benefits. Sustained private investment is a positive indicator of a supportive enabling environment. Disaggregated By: Geographic unit; investment / lending source													
Sub-objective 3.1 Reduced GHG emissions														
3.1	Quantity of GHG emissions reduced or sequestered as a result of USG assistance in energy, industry, urban, and or transport sectors ⁵	Unit: 1000 metric tons of CO ₂ equiv.	Annually	0	0	0	132	224.5	157		214		503	

⁵ Indicator targets for quantity of GHG emissions use economic and energy price assumptions. If the economic situation changes dramatically (more than 20%, e.g., currency exchange rate), MERP will recommend revision of the proposed targets for this indicator.

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Sources: Implementing partners; municipal utilities; municipalities; energy service companies												
	Definition: This indicator reports the quantity of greenhouse gas (GHG) emissions, estimated in metric tons of CO ₂ -equivalent, reduced, sequestered, and/or avoided, as a result of USG activities, as compared to a baseline level of GHG emissions. Justification: This is mandatory standard indicator 4.8-7. Indicator of GHG emission reduction resulting from all project activities. Disaggregated By: N/A													
Intermediate result (outcome) 3.1.1 Based on improved GHG accounting, mitigation actions developed														
3.1.1.1	National Inventory System functioning in accordance with latest IPCC requirements	Unit: Process indicator (S1-S4) Sources: Implementing partners; SAEI; MinEcology	Semi-annually	0	S1	S2	S2	S3-S4	S3		S4		S4	
	Definition: National Inventory System enhanced according to international best practices (IPCC requirements) with expansion to forecasting use and local customization, and deployed. Justification: Proper accounting of GHG is a basis for GHG planning and mitigation. Process indicator: S1 – Gap analysis conducted; S2 – Recommendations prepared; S3 – Enhancement measures developed; S4 – Implementation started Disaggregated By: N/A													
3.1.1.2	Number of climate change mitigation tools, technologies and methodologies developed and adopted as a result of USG assistance	Unit: Number of tools Sources: Ministry of Energy; Min-Region; Ministry of Environment; Ministry of Economy; municipalities, utilities; SAAE; SAEI; implementing partners	Semi-annually	0	0	0	2	2	4		4		10	
	Definition: Number of methodologies, technologies and tools developed to support CO ₂ emission reduction plans and LEDS-REDS implementation Justification: Indicator of development of enabling tools, i.e., methodologies and technologies, for implementation of LEDS-REDS at both national and local levels Disaggregated By: Types of tools													
Sub-objective 3.2 Increased capacity to identify and use new funding for increasing EE and CE production at the municipal level														
3.2.1	Number of CE/EE loans (except DCA) prepared and executed as a result of USG assistance	Unit: Number of loans Sources: Implementing partners; IFIs, private investors, commercial banks	Annually	0	0	0	2	2	2		2		6	
	Definition: Number of loans for EE and CE projects prepared and executed with assistance of USG Justification: Indicator of attraction of commercial funding for CE and EE projects at the municipal level Disaggregated By: Geographic unit													
3.2.2	DCA utilization ratio including number of loans (for all DCA arrangements)	Unit: Ratio of value of loans issued under guarantee to total value of guaranteed portfolio, in percentage	Annually	0	5	Under calculation	10	10.59	20		20		55	

No.	Key Performance Indicator	Unit of Measurement and Data Source	Collection and Reporting Frequency	Base line	Year 1		Year 2		Year 3		Year 4		Total	
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
		Sources: Implementing partners; Commercial banks												
	Definition: Measures utilization of DCA partial guarantee by the partner banks for financing of EE projects Justification: Indicator of utilization of DCA partial guarantee. Used for evaluation of efficiency of DCA program Disaggregated By: Geographic unit													
Intermediate result 3.2.2.1 New financial mechanisms developed and implemented at the municipal level														
3.2.2.1	Number of financial mechanisms developed with USG assistance	Unit: Number of mechanisms Sources: Implementing partners; ESCOs, private investors, municipalities	Semi-annually	0	0	0	2	1	2		2		6	
	Definition: Number of new financial mechanisms prepared and used at the municipal level. It includes concept papers, due diligence documents, and agreements for ESCOs/EPCs, GDAs, PPPs, others for financing of CE/EE projects Justification: Indicator of extension of financial mechanisms for CE/EE projects Disaggregated By: Geographic unit; type of mechanisms													
3.2.2.2	Number (and percentage) of GOU-regulated utility companies that achieve or pass the break-even point as a result of USG assistance	Unit: Number of utility companies Sources: Implementing partners; ESCOs, private investors, municipalities	Annually	0	0	0	10	186	180		210		233	
	Definition: Number of utilities that improved their financial performance as a result of introduction of cost recovery tariffs and participation in capacity building events organized with USG assistance Justification: Indicator of improved financial performance of utilities resulted from tariff increase and improved business operation, i.e., implementation of EE investment programs cutting losses Disaggregated By: Geographic unit													

G. PLANS

Activity 1 - Planned Activities in Quarter 9

- Assist GOU High Level Working Group, led by VPM on implementation of GOU reform agenda on EE and RE.
- Assist GOU in implementation of the National Action Plan on RE by developing sub-laws, incentive mechanisms, and methodologies.
- Assist GOU in approval and implementation of the National Action Plan on EE by developing sub-laws, incentive mechanisms, and methodologies.
- Assist MinRegion and SAEF in implementation of Comprehensive Action Plan of substitution of natural gas by local alternative fuels.
- Strengthen donor coordination on municipal EE and RE reforms with support of e-based donor coordination platform.
- In coordination with EBRD, assistance on development of sub laws needed for implementation of ESCO legal package.
- In coordination with EU and EBRD, support MinRegion in adoption of Draft Law on Energy Efficiency in Buildings by the Rada.
- Assist in development of sub-laws and regulations on HOAs and housing management needed to support end-use energy efficiency.
- Support adoption of amendments to housing and communal services legislation related to the introduction of mandatory metering.
- Organize presentations and public discussions of the draft legislation/regulations with industry specialists, associations, and NGOs.
- Based on assessment of training needs, conduct training seminars for NECSRC (licensees when determined as necessary) on the areas of capacity building according to the agreed curriculum.
- Support approval process for the procedures for drafting, coordination and approval of the investment programs.
- Assist Rada committees on improving and adopting Draft Law on Transparency of Information on Energy & Communal Services Markets.
- Assist Rada Committee on improving and adopting Draft Law on National Regulatory Commission on Energy & Communal Services.
- Finalize analysis of the effective normative and legal framework on monitoring quality of services in the electricity sector; development of recommendations on extension of its application to all sectors of heat supply, district water supply and sewage.
- Provide assistance to NECSRC with developing mechanisms on service quality assurance.
- Support improvement of tariff calculation system and regulations governing setting tariffs for thermal energy produced from nontraditional and renewable energy sources.
- Support changes to assets valuation methodology changes for natural monopolies in the DH and water & waste water sectors.
- Assist NECSRC in the gradual introduction of RAB incentive tariff regulation for heating and water utilities.
- Assist NECSRC in establishment of the transparent system of tariff setting and regulatory decision-making.

- Develop methodological recommendations on accounting for licensed types of activities.
- Train utilities under NECSRC on how to apply new regulatory reporting according to agreed training curriculum.
- Develop mechanism to use benchmarking indicators based on analysis of best international practice.
- Train NECSRC staff (including Regional Offices) on introduction of benchmarking system.
- Enhance coordination on social protection of low-income consumers with the WB team and GOU working groups on social protection.
- Provide training for local social protection offices on the new social protection mechanisms.
- Continue data collection in the partner cities and regional offices of social protection on efficiency of new system of subsidies.
- Organize round table discussions with the GOU on the efficiency of the new subsidies system and the changes recommended to the system of privileges.
- On as needed basis, develop recommendations on improvement of the system of privileges granted for payment of utility bills.
- In coordination with EBRD and GIZ, assist GOU Technical Committees in reviewing and approving EE standards.
- Assist SAEE in development of enforcement action and documents for implementation of energy management systems as per ISO50001.
- Support the Certified Energy Manager program based on the US AEE training curriculum.
- Develop new energy standards. Assist MinRegion and SAEE in review and discussion of new energy standards.
- Maintain regular coordination on PR activities with MinRegion PR WG, CabMin, donors, GOU Committee of Reforms, and USAID OTI.
- Cooperate with advertising agencies to develop design of outdoor and video PSAs, advertisements for social media and other information materials.
- Develop information materials (including video PSA) on the need to bring tariffs to an economically grounded level (understanding these steps is a guarantee of effective work of communal enterprises) and social protection measures for low-income consumers.
- Conduct targeted outreach to low-income residents and vulnerable groups in support of Ukraine's tariff regulation reform and social safety net.
- For the media, hold expert energy briefings, followed by training, on the range of story options including social issues, EE lifestyle, alternative energy resources, HOAs and tariff reform.
- Promote all topics through social media, MERP and partners' web sites and FB pages. Support media programming (on TV and radio) promoting the themes of CE/EE; explain changes related to tariff reform and the social safety net.
- Disseminate a range of information related to CE/EE, social safety net and tariff reform through TV and radio media round tables/expert opinions, call-in shows, analytical articles in electronic and printed media.
- Cooperate with local HOA Resource Centers, Communal Service Enterprises, Regional Social Protection Offices, AUC regional offices and Bibliomist Project on distribution of materials among Ukrainian municipal residents.
- Cooperate with manufacturers of EE materials and equipment, such as Henkel, Danfoss, Rehau and Vekka, to set up information and exhibition corners at HOA/CE Resource

Centers and libraries. Cooperate with USAID Bibliomist project to serve as public education centers for effective EE technologies and measures.

- Hold joint training session with Bibliomist project to educate interested librarians on issues related to CE/EE to involve libraries into energy education reform.
- Widely support outreach campaign through the range of activities in the partner-cities, such as Energy Efficiency Days, USAID Field Days, Sustainable Energy Weeks or public hearings.
- Develop range of materials and educate citizens on the benefits of ownership (Condominium development) as a primary motivating force for saving energy in HOAs through support of pilot Community Based Marketing Campaign in Lviv.

Activity 2 - Planned Activities in Quarter 9

- On as needed basis, prepare technical specifications and conduct training of PIU for first group of cities.
- Prepare business plans, project concepts, pre-feasibility studies for CE investment projects.
- Assist municipalities with presentations of projects to IFIs and other investors with ongoing assistance to municipalities until a loan is issued.
- Assist Clean Energy Advisory Centers with legal, technical, economic, ecological and other key issues (information and methodological assistance).
- Conduct jointly with the World Bank investment promotion conference for Ukrainian cities.
- Conduct final training on SEAPs development for the partner cities.
- Prepare SEAPs and present them to key stakeholders.
- Engage local civil society organizations in the review and discussion of SEAPs.
- Train second group cities on preparation of bankable investment proposals.
- Conduct assessment of municipalities willingness to implement CE projects on PPP principles
- Develop the Concept of CE PPP projects and discuss it with key stakeholders.
- On as needed basis, provide assistance and capacity building to PIUs on international procurement in the second group of cities.
- Organize dissemination of this experience to other cities in the region through round tables, webinars and other dissemination tools.
- Provide assistance to Bank Lviv and Procredit Bank on utilization of USAID DCA for energy efficiency.
- Conduct training seminars and round tables for HOAs and SMEs on end-use energy efficiency to grow demand for commercial lending.
- Monitor the utilization rate of USAID DCA with Bank Lviv.
- In cooperation with EBRD, support development of ESCO in municipalities and assist with investment attraction and implementation of municipal ESCO EPCs.
- Assist in preparation of legal and financial documentation needed for implementation of EPCs.
- Prepare pre-feasibility studies for bio-fuel projects.
- Initiate development of a set of documents needed to implement CE PPP projects.
- Establish regular coordination on PR activities with MinRegion PR WG, donors, GOU Committee of Reforms, CabMin, and USAID OTI.

- Hold periodic Working Group Meetings on Communication Issues to adjust information strategy and assure its successful implementation in the cities.
- Assure multifaceted public awareness campaign on EE/alternative energy through development as well as distribution/promotion of targeted information materials in MERP partner cities.
- Develop condensed versions of of pilot city SEAPs to be discussed with the population before and during public hearings.
- In targeted public outreach events in the cities, include Energy Efficiency Days, contests on EE best practices, other public events and distribution of relevant information materials including placements of PSAs.
- Promote the themes of EE/Alternative Energy; explain changes related to tariff reform through TV and radio media round tables/expert opinions, call in shows; place analytical articles in electronic and printed media.
- Conduct public hearings on SEAPs to involve the general public in discussions about priority areas of EE in MERP pilot cities.
- Support partners' web sites and dissemination of best practices.

Activity 3 - Planned Activities in Quarter 9

- If needed, provide technical assistance to the chosen local NGO to rectify deficiencies identified in the NUPAS to ensure compliance with USAID criteria.
- Conduct coordination meetings with key partners, including civil society groups, anti-corruption 'watchdog' organizations and investigative journalists.
- Support local (city level) anti-corruption coalitions involving civil society, creation of networks and social media groups.
- Conduct training on anti-corruption for local civil society representatives and journalists.
- Support collection, analysis, publication and distribution of information on anti-corruption; disclose information to the public.
- Conduct local press clubs, presentations and discussions aimed at advocating transparency and disclosure in the energy sector.

Activity 4 - Planned Activities in Quarter 9

- Establish LEDS Action Plan Task Forces in MinEcology and in MinRegion to assist the development of sectoral LEDS Action Plans and to facilitate acceptance it on ministries level.
- Prepare and conduct training on MRV for cement sector.
- Support Ukrainian submitted INDC dissemination and broad stakeholders' understanding.
- Start tendering process for LEDS Action Plan facilitator.
- Provide support in energy and transport sector of National GHG Inventory Report for 1990-2014.
- Provide support for desk-review of National GHG Inventory Report for 1990-2013.
- Engage with MinEcology on climate related TA projects coordination.
- Advise and support state bodies, high-level working groups, members of the Verkhovna Rada and state committees on climate change issues and inclusion of climate change into their agendas.
- Provide technical and expert support to MinEcology on international climate negotiations preparation process and provide expert support during Paris Climate Conference.

- Continue expert support of Draft Climate Strategy and Draft Climate Concept development. Provide expert and administration support to MinEcology and Working Group of Climate Policy Development on considering Draft documents above. Finalize draft climate policy documents and submit it to MinEcology. Support public consultations of Draft Climate Strategy and Draft Climate Concept.
- Organize presentation of TNA Report for Municipal Sector.
- Organize presentation of MRV secondary legislation set.
- Contribute to work of Working Group on ETS under MinEcology in the context of MRV System.
- Support GOU working groups in drafting relevant legislation for LEDS.
- Support quarterly meetings of Inter-ministerial Commission on UNFCCC implementation and assist members of the Commission with preparation and follow-up of the meetings.
- Populate and test-run Ukrainian LEDS database, and provide continuous technical support.
- Continue preparation for LEDS study tour to US and finalize participants' selection process.

The list of miletones for Quarter 9 of the project is presented below.

Activity 1: Improve Clean Energy Regulatory and Legislative Enabling Environment

Task/Milestone	Deadline
Task 1.1. Developing Enabling Legislative and Policy Environment	
M 1.1.4. Law on National Regulatory Commission on Energy and Communal Services adopted by Rada.	Dec. 30, 2015
M 1.1.5. Law on Transparency of Information on Energy and Communal Services Markets adopted by Rada.	Dec. 30, 2015
Task 1.2. Assistance to National Energy & Communal Services Regulatory Commission (NECSRC)	
Sub-task 1.2.1. Needs Assessment for Assistance to the National Energy & Communal Services Regulatory Commission (NECSRC)	
M 1.2.1.1. Annual Work Plan developed and agreed with NECSRC.	Dec. 31, 2015
M 1.2.1.2. Capacity Building Plan developed and agreed with NECSRC.	Dec. 31, 2015
Sub-task 1.2.4. Developing Utility Benchmarking	
M 1.2.4.1. New regulatory reporting taught to utilities.	Dec. 31, 2015
M 1.2.4.2. New regulatory benchmarking system developed.	Dec. 31, 2015
Task 1.4. Supporting Energy Efficiency Standards	
M 1.4.2. Standard on Energy Audits in Buildings approved.	Nov. 30, 2015

Activity 2: Promote Investment in Clean Energy Technologies and Applications

Task/Milestone	Deadline
Task 2.2. Assisting Municipalities with Planning, Preparing and Financing for Clean Energy Projects	
M 2.2.1. Capacities of pilot cities regarding attraction of investment to clean energy projects strengthened.	Nov. 30, 2015
M 2.2.2. SEAPs adopted in pilot cities.	Dec. 31, 2015

Activity 3: Capacity Building and Dissemination

Task/Milestone	Deadline
Cross cutting (Anti-corruption)	
M 3.1.2. Local anti-corruption coalitions established.	Oct. 31, 2015

ATTACHMENT 1 – MUNICIPAL ENERGY REFORM PROJECT WORK PLAN FOR PROJECT YEAR THREE

YEAR 3 WORK PLAN NARRATIVE

OVERALL APPROACH

The objective of the project is to enhance Ukraine's energy security by implementing municipal energy reform with a focus on clean energy (CE), energy efficiency (EE), and greenhouse gas (GHG) emissions reduction. The Municipal Energy Reform Project (MERP) will assist the Government of Ukraine (GOU) and partner cities with approval and implementation of the key reform measures during Year 3.

Under **Activity 1**, MERP will continue its support to GOU and the Verhovna Rada to approve key legislation related to municipal energy reform. Support will be in the form of assistance to GOU and Rada committees in developing, approving, and implementing key legislation such as

- ESCO related legislation
- Law On Energy Efficiency in Buildings
- Law On Housing and Communal Services (and related metering legislation)
- HOA legislation
- Law On National Energy and Communal Services Regulatory Commission
- Other clean energy legislation

These legal and regulatory advances will ensure the energy independence of Ukraine and will comply with EU Energy Community Treaty requirements. Based on implementation of an e-based platform, MERP will advance donor coordination to ensure synergy of donors' efforts in municipal energy reforms.

In Year 3, assistance will continue to the Ministry of Regional Development (MinRegion) and the State Agency for Energy Efficiency (SAEE) in developing energy standards. MERP will also provide support and advocacy for GOU agencies to approve and implement energy standards developed in Year 2 of the Project.

In close cooperation with the World Bank/Swedish International Development Cooperation Agency (WB/SIDA) and the European Bank for Reconstruction & Development (EBRD), MERP will continue to support the National Energy and Communal Services Regulatory Commission (NECSRC) in bringing tariff regulations in line with best international practices. MERP experts will

- a) Conduct an assessment of NECSRC's training needs.
- b) Continue building the capacity of NECSRC and utilities on key regulatory principles.
- c) Assist NECSRC with the introduction of incentive tariff regulation.
- d) Assist NECSRC with introduction of a reliable benchmarking system and a new system of monitoring quality of services.

In close cooperation with the WB social assistance team, MERP experts will continue assistance to the Ministry of Social Policy

- a) to support implementation of the existing system of subsidies to low income consumers.

- b) to develop a new system of social norms for communal services.

In close coordination with donors and GOU agencies, MERP will conduct a public information campaign, focused on two priority areas:

- Public messaging and education on the social safety net, which includes
 - a) development and dissemination of information on the availability, eligibility criteria, and application process for subsidies.
 - b) building public understanding of the new social safety net programs designed to help vulnerable populations.
- National public awareness activities, which are conducted
 - a) to support energy reforms.
 - b) to promote energy efficiency, energy conservation and renewable energy.

Under **Activity 2**, the IRG team will continue support to the partner cities on strategic energy action planning (SEAP) in compliance with European Covenant of Mayors (CoM). MERP'S work in the cities began with development of a cooperation strategy endorsed by IFIs and USAID. The Project selected 17 partner cities in accordance with IFI lending strategies and portfolios to ensure a stream of investments in municipal energy efficiency and clean energy projects. During the Years 1-2 of the project, MERP was instrumental in assisting all 17 partner cities with developing or improving the SEAPs.

During Year 3, assistance will continue to the second group of partner cities on SEAP development. The MERP team will

- a) Pursue traditional financing sources as well as carbon credit sales and EE investment or savings accounts to provide tailored financing for municipal infrastructure investments.
- b) Establish close cooperation with IFIs to support their programs with cities.
- c) Assist cities and their utilities with project identification, developing pre-feasibility studies, establishment of PIUs and preparation of tender documents or technical specifications in accordance with best international practice.

MERP will continue supporting Bank Lviv to increase the use of the DCA partial guarantee. Also, MERP will assist USAID with connecting DCA to other commercial banks interested in energy efficiency and clean energy lending.

Education and outreach are critical to all tasks. Based on the MinRegion National Information Plan, MERP will continue a targeted information campaign in the partner cities in close cooperation with other donors and USAID projects. Targeted communication tools will better inform local society – from energy professionals to consumers, from local universities to the media. MERP experts will create and deliver targeted messages to educate and advocate reform in the selected municipalities.

Activity 3 focuses on capacity building of NGOs and government entities to ensure sustainability of Project results and meeting USAID Forward goals. During Year 3, MERP will continue to build capacity of local NGOs (project implementation) through existing grants. Regarding the “Renewable Energy Agency,” no further expert inputs or funding should be required to prepare this NGO for a direct USAID award.

Activity 4 focuses on Enhancing Capacity - Low Emissions Development Strategy (EC-LEDs) to support global climate change (GCC) initiatives and GHG emission reduction. Project experts will further assist GOU in meeting LEDs milestones, such as development of Sectoral LEDs Action Plans for the Ministry of Ecology and Natural Resources and the Ministry of Housing and Communal Services.

MERP will assist various GOU working groups on development and planning of LEDs. During year 3, IRG and its sub-contractors expect to continue building capacity via

- development of LEDS Action Plans for two selected Ministries.
- a study tour to the USA for state officials and policy makers.
- presentation and dissemination of a technology needs assessment for the municipal sector.
- further development of measurement, reporting and verification (MRV) framework legislation and implementation of MRV core elements for selected sectors.
- enhancing utilization of the TIMES-Ukraine analytical tool for economy-wide and sector specific forecasting.

Results, Targets, Milestones, Deliverables AND Timeline

The expected project results appear in the Project Performance Monitoring and Evaluation Plan.

The MERP milestones and deliverables to be achieved through implementation of Year 3 Project activities are summarized in the Work Plan Table below.

The list of milestones showing the Year 3 timeline of activities, milestones, deliverables, and expected results, appear in the sections following the Work Plan Table.

MER PROJECT YEAR 3 - WORK PLAN TABLE

Activity 1: Improve Clean Energy Regulatory And Legislative Enabling Environment					
Expected results: Critical reform legislation is developed and supported by key stakeholders. Overall clean energy enabling environment is improved. The National Energy and Communal Services Regulation Commission's capacity for effective, transparent and socially-responsible regulation is improved. Cost-reflective, incentive-based tariff regulation is applied in Ukraine. Adverse effect of tariff increases on vulnerable population is mitigated. National public information and awareness campaign were conducted to support reform measures.					
Task Activities	Lead	Support	Completion	Outcomes / Deliverables / Results	Milestone / Comments
Task 1.1. Developing Enabling Legislative and Policy Environment	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Passage of key draft laws and sub-laws needed for MER implementation • Improved donor coordination platform which supports reforms 	Coordinated donor support leads to approval of key policy and legislative documents on municipal EE and RE.
Assist GOU High Level Working Group with implementation of GOU reform agenda on EE and RE.	IRG	STTAs, JurEnerg, MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Analytical documents • Assessment reports • Comments and recommendations on GOU legal and regulatory acts 	
Assist GOU with implementation of National Action Plan on RE by developing sub-laws, incentive mechanisms, and methodologies.	IRG	JurEnerg, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Draft documents • Assessment reports • Materials on RE 	
Assist MinRegion and SAEE with implementation of Comprehensive Action Plan of substitution of natural gas with local alternative fuels.	IRG	JurEnerg, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Assessments • Reports • Recommendations on technical documents • Materials about substitution of natural gas 	
Assist GOU in review, approval and implementation of National Action Plan on EE by developing sub-laws, incentive mechanisms, and methodologies.	IRG	JurEnerg, local EE associations, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Draft documents • Assessment reports • Materials on EE 	M 1.1.1. Implementation started of GOU National Action Plans on EE and RE.
Provide regular assistance to Verkhovna Rada Committee on Housing and Communal Services in development of draft laws on HOAs and housing management needed to support end use energy efficiency.	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of meetings • Recommendations • Draft laws 	

Assist in development of sub-laws and regulations on HOAs and housing management needed to support end use energy efficiency.	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Draft resolutions and regulations from GOU, including draft model statutes and contracts 	
Develop and assist Rada Committees on adoption of changes to Land Code concerning transfer of land plots to co-owners of multifamily buildings.	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Draft law on amendments to Land Code of Ukraine 	
In coordination with EBRD and IBSE, support MinRegion in adoption of ESCO sub-legislation.	IRG	JurEnerg, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Minutes of meetings Recommendations Draft legal acts 	M 1.1.2. ESCO sub-legislation adopted by governmental bodies.
In coordination with EU and EBRD, support MinRegion in adoption of Draft Law on Energy Efficiency in Buildings by Rada.	IRG	JurEnerg	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Law on Energy Efficiency in Buildings (adopted by Rada) 	
In coordination with public platform “Reanimation Package of Reforms” and MinRegion, either update Draft Law on Commercial Metering or discuss possibility of incorporating provisions of Law into Law on Housing & Communal Services.	IRG	JurEnerg, OPORA	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Draft Law on Metering Discussion with key stakeholders 	
Either assist Rada committees with adoption of Draft Law on Commercial Metering, or incorporate its provisions in Law on Housing & Communal Services.	IRG	JurEnerg, OPORA	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Either <ul style="list-style-type: none"> - Draft Law on Metering (approved by Rada) or <ul style="list-style-type: none"> - Relevant provisions incorporated in Law on Housing & Communal Services 	
Assist Rada committees with adoption of amendments to housing and communal services legislation.	IRG	JurEnerg, OPORA MDI	Oct. 1, 2014 – Aug. 30, 2016	<ul style="list-style-type: none"> Comments and recommendations for draft laws to amend housing and communal services legislation 	M 1.1.3. Key municipal EE legislation: Law on Energy Efficiency in Buildings, Law on Housing and Communal Services adopted by Rada.
Assist Rada Committee on improving and adopting Draft Law on National Regulatory Commission on Energy & Communal Services.	IRG	JurEnerg, MDI STTAs	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Draft Law on National Regulatory Commission on Energy & Communal Services (approved by Rada) 	M 1.1.4. Law on National Regulatory Commission on Energy and Communal Services adopted by Rada.

Assist Rada committees on improving and adopting Draft Law on Transparency of Information on Energy & Communal Services Markets.	IRG	JurEnergO, OPORA	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> • Draft Law on Transparency of Information on Energy and Communal Services Markets (approved by Rada) 	M 1.1.5. Law on Transparency of Information on Energy and Communal Services Markets adopted by Rada.
Assist GOU in amending legislation to mitigate legal contradictions resulting from adoption of Law 1198 "On Introducing Changes Aimed at Improving Payments for Energy Sources to Certain Laws of Ukraine."	IRG	JurEnergO, OPORA, MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Draft laws • Discussion with key stakeholders 	
Provide regular assistance to MinRegion expert groups to initiate and develop legal and regulatory documents on municipal EE.	IRG	STTAs, JurEnergO, MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Analytical documents • Assessment reports • Comments and recommendations on MinRegion legal and regulatory acts 	
Provide regular assistance to Verkhovna Rada Committee on Housing & Communal Services in development of draft laws on housing & communal services, metering, and energy efficiency in buildings.	IRG	JuEnergO, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of meetings • Recommendations • Comments on draft laws 	
Support e-based donor coordination platform on municipal EE and RE reforms.	IRG	IRG	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of donor meetings • Support letters • Analysis 	
Task 1.2. Assistance to National Energy & Communal Services Regulatory Commission (NECSRC)	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Capacity built at NECSRC, its regional regulatory offices and utility companies • Improved tariff setting methodologies • Incentive-based, cost-reflective tariffs 	NECSRC operates according to best international regulatory practices.
Sub-task 1.2.1. Needs Assessment for Assistance to NECSRC	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Completed needs assessment • Identification of areas of assistance • Agreement with NECSRC 	Annual Work Plan for capacity building activities agreed and signed with NECSRC.
Assess assistance needs of NECSRC.	IRG	MDI, JurEnergO	Nov. 1, 2015 – Nov. 30, 2015	<ul style="list-style-type: none"> • Memo of meetings with NECSRC 	

Identify areas of cooperation, and prepare Annual Work Plan with NECSRC.	IRG	MDI, JurEnerg	Dec. 1, 2015 – Dec. 3, 2015	<ul style="list-style-type: none"> • Annual Work Plan with NECSRC 	M 1.2.1.1. Annual Work Plan developed and agreed with NECSRC.
Assess training needs of NECSRC Head Office and Regional Offices.	IRG	MDI, STTAs	Nov. 1, 2015 - Nov. 30, 2015	<ul style="list-style-type: none"> • Memo with assessment of training needs 	
Prepare training schedule of capacity building seminars for NECSRC Head Office and Regional Offices and licensees when determined necessary.	IRG	MDI, STTAs	Dec. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Training schedule showing workshops, seminars, round tables in Ukraine (and abroad when necessary) 	M 1.2.1.2. Capacity Building Plan developed and agreed with NECSRC.
Sub-task 1.2.2. Capacity Building	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Higher NECSRC regulatory standards • 'Case-study' curriculum • Training of NECSRC on utility staffs 	NECSRC capacity improved to support their functioning according to the best international practices.
Based on existing capacity building pla (CBP) for CY2015 assessment of training needs CBP for CY2016 conduct training seminars for NECSRC, including Regional Offices (licensees when determined as necessary) on areas of capacity building according to agreed curriculum.	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Training materials • Completed seminars 	M 1.2.2.1. Capacity of NECSRC improved.
Conduct events for exchange of experience (internship abroad, training in international schools for regulators, initiation and implementation of bilateral partnerships with other regulators in international associations).	IRG	IRG	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Attendance of commissioners at international events (ERRA meeting and training events) 	
Sub-task 1.2.3. Improving Heat Tariff Setting	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Approval of new incentive-based tariffs • NECSRC ensuring quality and accessibility of communal services for end users • Best Practices in Cost of Service concept and methodology in place • Elimination of inappropriate customer-class cross-subsidies 	Cost-recovery tariffs ensure quality services and support investments in municipal EE and RE.
In coordination with WB/SIDA and EBRD, assist NECSRC & MinRegion with improvement of investment methodology.	IRG	JurEnerg MDI	Oct. 1, 2015 – Feb. 28, 2016	<ul style="list-style-type: none"> • Modified investment methodology to meet requirements of IFI project financing (heating supply, water supply and sanitation) 	M 1.2.3.1. Investment methodology approved by relevant governmental bodies.

Develop legal and regulatory acts on implementation of quality system for communal services.	IRG	JurEnerg	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> • Preparation of legislative changes to implement concept of communal services quality • Discussion with key stakeholders 	
Develop service quality monitoring methodology, considering recommendations of NECSRC and international consultants.	IRG	MDI, STTAs	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> • Report with methodology to monitor service quality, including methods of assessment, system of indicators and information support 	
Develop tools to automate monitoring quality of communal services.	IRG	IMP, STTAs	Oct. 1, 2015 – Mar. 31, 2016	<ul style="list-style-type: none"> • Methodology for automated monitoring of service quality • Relevant tools ready • Guidelines and instructions 	
Test and introduce tools to automate monitoring of service quality for utility companies and NECSRC.	IRG	IMP, STTAs	Apr. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Introduction of tools for automated monitoring of service quality • Associated documents • Report 	
Conduct workshop for NECSRC staff on using tools for automated monitoring of quality of communal services and their results.	IRG	IMP, STTAs	Sep., 2016	<ul style="list-style-type: none"> • Presentation materials • Workshop • Report 	
Assist NECSRC to develop statistical reporting forms for collecting information on service quality and creation of information database.	IRG	MDI	Dec. 1, 2015 – Apr. 30, 2016	<ul style="list-style-type: none"> • Statistical reporting forms in use by utility companies to collect service quality information • Data processing and storage procedures 	
Assist NECSRC to develop mechanisms for service quality assurance in new tariff model. Develop recommendations on incorporation of special issues (such as reduction of losses, penalties for gas and electricity of licensees, foreign exchange risks, etc.) in tariff model.	IRG	MDI, STTAs	Nov. 1, 2015 – Feb. 29, 2016	<ul style="list-style-type: none"> • First draft report with <ul style="list-style-type: none"> - recommendations on service quality assurance - recommendations on special issues in new tariff model - analyses of international experience and its applicability to different tariff systems 	M 1.2.3.2. Quality of Services assurance mechanisms enacted by NECSRC.
Assist NECSRC to improve drafts of Regulator's resolutions on tariff calculation and setting tariffs for heat energy produced from non-traditional and renewable energy sources, considering comments received during official publication.	IRG	MDI	Oct. 1, 2015 – Oct. 31, 2015	<ul style="list-style-type: none"> • Improved drafts of Regulator's resolutions on tariff calculation and setting tariffs for heat produced from AE/RE sources (changes to NERC Resolutions #896, #897 and #898 adopted in 2005) 	

Develop assets evaluation methodology for natural monopolies in DH and water/wastewater sectors (as regards identification of aggregated value indicators for Regulatory Asset Based (RAB) incentive tariffs).	IRG	MDI, STTAs	Oct. 1, 2015 - Feb. 29, 2016	<ul style="list-style-type: none"> • First draft of Assets Evaluation Methodology (prerequisite for RAB) • Discussion with relevant governmental bodies 	
Assist NECSRC with gradual introduction of RAB incentive tariff regulation for heat and water utilities: <ul style="list-style-type: none"> - Develop Concept Paper and Action Plan of gradual introduction of RAB considering comments of international consultant. - Improve current legislation on incentive tariff regulation (NCSRC Resolutions #356, #357 and others, if necessary). - Develop approaches to determine long-term parameters on incentive tariff regulation (targets and others). - Test incentive tariff calculation by licensees. 	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Concept Paper and Action Plan of gradual introduction of RAB • Amendments and comments to Regulator's resolutions on incentive tariff calculation (NCSRC Resolutions #356, #357 and others, if necessary) • Approaches to determine long-term parameters on incentive tariff regulation (targets and others) • Testing of incentive tariff calculation by licensees 	
Assist NECSRC to improve current legislation on tariff regulation and investment, possibly including: <ul style="list-style-type: none"> • Cabinet of Ministers (CMU) Decree #869 or other tariff setting order. • Development of methodological recommendations for systematic (extraordinary, off-schedule) government monitoring (control) of implementation of procedure governing receipt of money to special accounts for further payments under investment programs, using such resources and monitoring of expenditures in centralized water and wastewater sector, as stipulated by GOU Decree 750, dated October 9, 2013. • Others (identified by results of NECSRC training in 2015). 	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Amendments and comments to current legislation on tariff regulation and investments • Discussion with NECSRC 	
Assist NECSRC to establish transparent system of tariff setting and regulatory decision making.	IRG	MDI, STTAs	Oct. 1, 2015 – Jan. 30, 2016	<ul style="list-style-type: none"> • Report with recommendations on improving regulatory transparency 	M 1.2.3.3. Basis for RAB incentive tariff regulation established.

Conduct workshop for NECSRC staff on automated system for assessment and forecasting of service affordability for population.	IRG	MDI, STTAs	Jan., 2016	<ul style="list-style-type: none"> • Presentation materials • Seminar for NECSRC 	
Organize and conduct pilot survey on consumer readiness to pay for utility services (electricity, gas, heat supply, water and wastewater).	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Plan of action • Survey with processed data • Assessment of indicators • Reports 	
Conduct seminar on findings of surveys on consumer readiness to pay for utility services.	IRG	MDI, STTAs	Sep. 30, 2016	<ul style="list-style-type: none"> • Presentation materials • Seminar for NECSRC 	
Sub-task 1.2.4. Developing Utility Benchmarking	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Validation of key performance indicators • NECSRC ability to inform consumers objectively of each utility's performance to ensure transparency and educate consumers • NECSRC ability to establish industry best average for municipal utilities and introduce incentives and penalties 	Benchmarking system tested to ensure transparency and monitoring of utilities' performance, i.e., quality of services.
Assist and support NECSRC to improve drafts of regulatory reporting forms by licensees, considering results of testing by licensees.	IRG	MDI	Oct. 1, 2015 – Oct. 30, 2015	<ul style="list-style-type: none"> • Improved drafts of regulatory reporting forms by licensees • Approval by NECSRC 	
Develop methodological recommendations on accounting for licensed types of activities. Develop amendments and comments to current legislation on accounting for licensed types of activities (CMU Decree #584 and others if necessary)	IRG	MDI	Oct. 1, 2015 – Sep. 31, 2016	<ul style="list-style-type: none"> • Recommendations on accounting 	
Train utilities under NECSRC on how to apply new regulatory reporting according to agreed training curriculum.	IRG	MDI	Nov. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Training materials and presentations • Participant list • Seminar for utilities 	M 1.2.4.1. New regulatory reporting taught to utilities.
Develop mechanism to use benchmarking indicators based on analysis of best international practice.	IRG	MDI STTAs	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Recommendations on application of benchmarking indicators • Mechanism for using benchmarking indicators 	M 1.2.4.2. New regulatory benchmarking system developed.

Train NECSRC staff (including Regional Offices) on introduction of benchmarking system.	IRG	MDI	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Training for NECSRC staff on benchmarking and related issues 	
Perform generalized comparative analysis of licensees based on proposed key performance indicators. Improve approaches to clustering for water and wastewater companies.	IRG	MDI	Mar. 1, 2016 – May 30, 2016	<ul style="list-style-type: none"> • Report on comparative analysis of licensees by cluster 	
Develop methodological recommendations for calculating key performance indicators in water and wastewater sector.	IRG	MDI	Dec. 1, 2015 – Jun.. 30, 2016	<ul style="list-style-type: none"> • Recommendations for calculating and applying key performance indicators (KPI) in water and wastewater sector • Set of cards per each KPI with recommendations on their application 	
Develop recommendations on publishing benchmarking results.	IRG	MDI	Jul. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Template for regular NECSRC benchmarking report 	
Task 1.3. Supporting Improvement of Social Safety Net for Vulnerable Population	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Better transparency of energy subsidies: direct, targeted, means-tested and monetized • Better protection for the poor • Efficiency adoption among low-income end users 	Targeted social subsidies provided to low income families to mitigate tariff increases.
Enhance coordination on social protection of low-income consumers with WB team and GOU working groups on social protection.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of working group meetings • Coordinated list of activities with WB on social protection 	M 1.3.1. Coordination with WB, GOU and other donors on social protection is functioning.
Assist GOU, (Ministry of Social Policy) with optimization and enforcement of new mechanisms of social assistance for consumers of housing and utility services through targeted “means tested” subsidies	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Reports with advice, comments and recommendations • Minutes of meetings. 	
Provide capacity building to Ministry of Social Policy and its regional offices on enforcement of new social protection mechanisms.	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Training materials and presentations • Support to training provided by others 	
Monitor efficiency of new system of subsidies based on data collection in partner cities and Regional Offices of Social Protection.	IRG	MDI, STTAs	Oct. 1, 2015 – Apr. 30, 2016	<ul style="list-style-type: none"> • Report on results of monitoring, including recommendations 	

Organize round table discussions with GOU on efficiency of new subsidy system and recommended changes to system of privileges.	IRG	MDI, STTAs	May 1, 2016 – May 31, 2016	<ul style="list-style-type: none"> • Presentations and materials • Round table • Results 	M 1.3.2. Transparency of social subsidies to low income consumers improved.
Develop proposals on improvement of social housing norms and norms of consumption of housing and utility services.	IRG	MDI, STTAs	Oct. 1, 2015 – Jun. 30, 2016	<ul style="list-style-type: none"> • Report with analysis, proposals and recommendations on improvement of consumption norms • Draft of GOU decree 	
Develop concept paper for encouraging low income families, housing subsidy recipients, to implement energy efficiency improvements.	IRG	MDI	Oct. 1, 2015 – Mar. 30, 2016	<ul style="list-style-type: none"> • Concept paper and action plan 	
Develop concept paper for transition to monetized targeted assistance to consumers of housing and utility services.	IRG	MDI, STTAs	May 1, 2016 – Aug. 31, 2016	<ul style="list-style-type: none"> • Concept paper and action plan 	
Assist GOU to reform system of privileges granted for payment of housing and communal services.	IRG	MDI, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of working group meetings 	
Develop concept paper for integration of privileges in housing subsidy program and for transition to single, targeted assistance program, under which subsidies are granted for payment of housing and utility services.	IRG	MDI, STTAs	May 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Draft of concept paper and action plan 	
Task 1.4. Supporting Energy Efficiency Standards	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Preparation and passage of key standards • Improved capacity of GOU entities to develop and enforce new standards and norms 	Ukrainian energy standards comply with EU Energy Community recommendations.
In coordination with EBRD and GIZ, assist GOU technical committees in reviewing and approving EE standards.	IRG	STTAs, SRIBC	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of meetings with GOU technical committees • Assessment reports with recommendations 	
Support dissemination of energy management certification program.	IRG	Ukrainian AEE	May 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Energy manager certification program disseminated to MERP partner cities 	M 1.4.1. Energy managers in partner cities certified.
Assist MinRegion in finalizing and approving Standard on Energy Audit of Buildings.	IRG	SRIBC	Nov. 30, 2015	<ul style="list-style-type: none"> • Final standard on Energy Audit of Buildings • Approval by MinRegion 	M 1.4.2. Standard on Energy Audits in Buildings approved.

Support development of new EE standards: DBN V.2.6-14 (roof design) and other as identified in discussions with stakeholders (SAEE and MinRegion).	IRG	SRIBC, ENSI	Oct. 1, 2015 - Sep. 30, 2016	<ul style="list-style-type: none"> • Draft standards • Submission of Standard DBN V.2.6-14 and supporting documentation to MinRegion for approval 	M 1.4.3. One new energy standard developed.
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Task 1.5. Public Information and Awareness	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Public and civil society support to CE/EE measures and social safety net in cities • Behavior change that supports energy conservation and use of alternative energy resources 	Public is well informed about EE and CE measures and social protection system. Local NGOs, media and associations ensure support and transparency.
Maintain regular coordination of PR activities with MinRegion PR WG, CabMin, donors, GOU Committee of Reforms, and USAID Office of Transition Initiatives (OTI).	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • List of coordinated events and activities 	
Cooperate with advertising agencies to develop design of outdoor and video PSAs, advertisements for social media and other information materials.	IRG	MDI, OPORA, private partners	Oct. 1, 2015 – Jul. 30, 2016	<ul style="list-style-type: none"> • Public service advertisement materials (developed in cooperation with JWT or other advertising agency) 	
Develop information materials (including video PSA) on EE/AE, necessity to bring tariffs to economically grounded levels (understanding of these steps is a guarantee of effective work of communal enterprises) and social protection measures for low income consumers.	IRG	MDI, OPORA, private partners	Oct 1, 2015 – Jul. 30, 2016	<ul style="list-style-type: none"> • Public communications materials, to include <ul style="list-style-type: none"> - TV/Radio PSAs - Viral videos - Brochures - Reports - Handouts - Training materials - Posters - Banners - Press releases - Other materials to support public outreach campaign on social safety nets 	M 1.5.1. Public information materials and PSAs on EE/CE and social safety nets developed.
Conduct targeted outreach to low income residents and vulnerable groups in support of Ukraine's tariff regulation reform and social safety net.	IRG	MDI, Bibliomist	May 15, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Concept and content for webinars on MERP YouTube channel • Reports on public events for targeted population (low-income families) about social protection mechanism 	<i>Bibliomist network will be involved in organization of webinars/workshops.</i>

For media, hold expert energy briefings followed by training on range of story options, including: social issues, EE lifestyle, alternative energy resources, OSBB and tariff reform.	IRG	CURE, MDI	Oct. 1, 2015 – Feb. 25, 2016	<ul style="list-style-type: none"> • Training concept and schedule • Briefings and training in 7 partner cities in cooperation with regional Press Clubs of MERP pilot cities • Comprehension by journalists of importance of promoting topics of CE/EE to support Ukraine's energy security and of educating public on issues of OSBB development, tariff reform, and social safety net 	
Support media program (on TV and radio) to promote themes of CE/EE; explain changes related to tariff reform and social safety net.	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Established cooperation with TV production studio to develop concept and support media programs on range of topics promoted by MERP 	
Disseminate range of information related to CE/EE, social safety net and tariff reform through <ul style="list-style-type: none"> - TV and radio media. - Round tables and expert opinions. - Call in shows. - Analytical articles in electronic and printed media 	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Promotion of outreach topics through national and regional media • Demand for MERP experts and local partners to comment on relevant subjects in regional media outlets 	
Promote topics through social media, MERP websites, partners' web sites and FB pages.	IRG	OPORA, MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • PSAs • Information materials • Analytical documents • Articles • Success stories 	M 1.5.2. Public messaging and education on AE/EE, social safety net conducted.
Cooperate with local HOA Resource Centers, communal service enterprises, Regional Social Protection Offices, AUC regional offices and Bibliomist Project to distribute information materials among residents of municipalities.	IRG	MDI, OPORA, Bibliomist, RTCs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Established cooperation • Successful distribution of information materials on EE/AE, including targeted information for low-income families about social protection mechanism 	

Cooperate with manufacturers of EE materials and equipment, such as Henkel, Danfoss, Rehau, Vekka and others, to set up information/exhibition corners at HOA/CE Resource Centers and libraries. Cooperate with USAID Bibliomist project to serve as public education centers for most effective EE technologies and measures.	IRG	MDI, Bibliomist, Henkel, Danfoss, Rehau, Vekka	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Established cooperation Samples of materials and equipment on display in info corners of CE Resource centers and in library based education centers 	
Hold joint training session with Bibliomist project to educate interested librarians on issues of CE/EE to order to involve libraries in energy education reform.	IRG	MDI, Bibliomist, Henkel, Danfoss, Rehau, Vekka	Oct. 31, 2015	<ul style="list-style-type: none"> Training concept and agenda Completed training session 	
Support wide outreach campaign through range of activities in partner cities, such as Energy Efficiency Days, USAID Field Days, Sustainable Energy Weeks, public hearings.	IRG	MDI, OPORA, private partners	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Multiple public events Distribution of information materials 	
Develop range of materials and educate citizens on benefits of ownership (Condominium development) as primary motivating force for energy savings in HOAs through support of pilot Community Based Marketing Campaign in Lviv.	IRG	MDI, Lviv city administration, Lviv City Institute	Oct. 1, 2015 – Mar. 31, 2016	<ul style="list-style-type: none"> Concept of CBMC Printed materials Support for conducting pilot campaign 	
Conduct contest for most effective EE measures in residential buildings among residents of multi-apartment buildings, including HOAs, in MERP partner-cities.	IRG	MDI, OPORA	Oct. 1, 2015 – Apr. 30, 2016	<ul style="list-style-type: none"> Concept of contest Announcement of contest 	M 1.5.3. National public awareness campaign to promote energy efficiency, energy conservation and renewable energy implemented.
Hold joint training session to educate journalists on issues related to CE/EE to involve them in energy education reform and to stimulate them to work with public on these questions.	IRG	MDI, CURE	Jan. 1, 2016 – Mar. 31, 2016	<ul style="list-style-type: none"> Training concept and agenda Completed training 	
Provide training for local social protection offices on new social protection mechanisms (in coordination with Task 1.3).	IRG	MDI, STTAs	Oct. 31, 2015	<ul style="list-style-type: none"> Completed training Report Training materials and presentations 	
Activity 2: Promote Investment In Clean Energy Technologies And Applications					

Expected results: Local government capacity to develop and implement low emission development plans is enhanced. Municipal managers access financial resources to implement clean energy and energy savings projects. Municipal capacity to develop and implement clean energy investment project is improved. USAID clean energy funding is leveraged at least 1:20 by other donors, government entities and private investors. GHG emissions decrease (per year and projected from baseline) as result of USG-assisted clean energy projects.

Task Activities	Lead	Support	Completion	Outcomes / Deliverables / Results	Milestone / Comments
Task 2.2. Assisting Municipalities with Planning, Preparing and Financing for Clean Energy Projects	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Assistance to cities in development of SEAPs and energy management systems • Attraction of IFI financing • Increased Ukrainian expertise and experience in energy auditing • SEAP assistance • Increased CE/EE skills • Increased financial knowledge and expertise of sustainable energy projects through practical training on preparation of pre-feasibility studies and business plans 	Cities supported with SEAPs and investment in EE and CE projects.
Conduct final workshop on SEAP investment programs for second group of cities.	IRG	EnEffect RTCs IFIs	Oct. 1, 2015 – Nov. 30, 2015	<ul style="list-style-type: none"> • Presentations and materials 	
Train pilot cities in attraction of investments from IFIs (preparation of bankable investment proposals) and private investors (preparation for PPP arrangements).	IRG	MDI	Oct. 1, 2015 – Nov. 30, 2015	<ul style="list-style-type: none"> • Training materials 	M 2.2.1. Capacities of pilot cities regarding attraction of investment to clean energy projects strengthened.
Support SEAP adoption in second group of cities.	IRG	RTCs, OPORA	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Memo on public round tables • Public consultations to SEAPs 	M 2.2.2. SEAPs adopted in pilot cities.
For each pilot city, prepare catalog of CE investment projects to reduce CO ₂ emissions. Present catalog to stakeholders and to public in partner cities with recommendations on sources of investment for listed projects.	IRG	MDI	Oct. 1, 2015 – Mar. 31, 2016	<ul style="list-style-type: none"> • Catalog for each pilot city with approved SEAP • Distribution to stakeholders and to public in qualified cities 	

Based on catalogs prepared for each pilot city, create unified catalog with most attractive CE projects for IFIs and private investors under PPP arrangements.	IRG	MDI	Oct. 1, 2015 – Mar. 31, 2016	<ul style="list-style-type: none"> Unified catalog of projects Distribution and presentation to potential private investors and IFIs 	M 2.2.3. Private investors and IFIs receive up-to-date information on promising long term investment projects in pilot municipalities.
Provide assistance and capacity building to project implementation units (PIUs) in second group of cities on international procurement.	IRG	OptimEnergo, Arnika, MDI	Oct. 1, 2015 – Apr. 30, 2016	<ul style="list-style-type: none"> Training materials Technical documents for PIUs 	M 2.2.4. Capacity of second group cities to attract investments from IFIs and private investors under PPP arrangement built.
Develop concept paper on information portal (online newsletter) to inform key stakeholders (municipalities, utility companies, IFIs, private investors, ministries) on new opportunities for investment.	IRG	MDI	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> Concept paper Established cooperation with another portal, e.g., Association of Ukrainian Cities (AUC) 	
Design and maintain information above portal for updating key stakeholders on new investment opportunities.	IRG	MDI	Jan. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> Regular updates 	
Prepare investment proposals (pre-feasibility studies, business plans) on EE and CE projects for partner cities.	IRG	MDI, OptimEnergo, Arnika	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Concepts Business plans Pre-feasibility studies 	
Conduct energy audits for key municipal service areas, key utility companies and CO ₂ producers to identify most promising long term investment proposals.	IRG	OptimEnergo, Arnika, MDI, others	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Report on energy audits of Communal services systems Sample model buildings 	

Conduct 4 workshops (1 per quarter) on expanding scope of functions of Clean Energy Advisory Centers (CE ACs) to attract investments for clean energy projects in residential buildings.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Improved capacity of CE CACs to attract investments to residential energy efficiency improvements • 4 workshops for staff of CE CACs • Training materials • Agendas • Participant lists • Feedback materials • Report on workshops 	
Assist Clean Energy Advisory Centers with legal, technical, economic, ecological, and other key issues regarding attraction of investments to clean energy projects in residential buildings.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Analytical documents • Assessment reports • Comments • Recommendations 	
Develop concept paper with advisory support from CE ACs for implementing residential CE projects, which are co-financed by materials and equipment producers, local authorities, and building residents.	IRG	MDI	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> • Concept paper • Selected participants of pilot CE projects • Established conditions for pilot projects in selected cities 	
Support implementation of CE demonstration projects in residential buildings.	IRG	MDI	Jan. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Report on support to demonstration residential projects implemented in selected cities. 	M.2.2.5. Support to demonstration CE projects in residential buildings in selected municipalities provided.
Prepare digest of best practices of SEAP development, approval and implementation.	IRG	MDI	Jan. 1, 2016 – May 31, 2016	<ul style="list-style-type: none"> • Digest of best practices • Dissemination to all Ukrainian municipalities joining Covenant of Mayors (COM) East II. • Up-to-date information and advice for municipalities on effective development, approval and implementation of SEAPs • Opportunity for pilot cities to exchange experience and best practices on SEAP implementation. 	

Task 2.3. Introduction of Energy Management Systems	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> Established energy management systems in 15 partner cities based on ISO 50001 5 certifications started 5% savings from energy management and monitoring 	Partner cities established Municipal Energy Systems and started its operation.
Train 8 partner cities and their municipal utilities on energy management cycle, which includes: <ul style="list-style-type: none"> - Energy auditing. - Monitoring and baseline definition. - Analysis of energy consumption. - Preparation of energy plans. - Implementation of EE measures. 	IRG	OptimEnergo, Arnika	Oct. 1, 2015 – Jan. 31, 2016	<ul style="list-style-type: none"> Training materials Agendas Participant lists Training evaluation questionnaire 	M 2.3.1. Local capacity built on Municipal Energy Management.
Assist partner cities in preparing energy management documentation, procedures and tools according to ISO 50001 requirements.	IRG	OptimEnergo, Arnika	Feb. 1, 2016 – Mar. 30, 2016	<ul style="list-style-type: none"> Set of documents, procedures, and templates on Municipal Energy Management 	
Assist cities and utility management in establishing energy management function with description of roles and responsibilities of energy managers.	IRG	OptimEnergo, Arnika	Feb. 28, 2016 – Apr. 30, 2016	<ul style="list-style-type: none"> City orgcharts Decisions on energy management function 	M 2.3.2. Energy Management Systems established in partner cities.
Monitor and support energy management function performance.	IRG	OptimEnergo, Arnika	May 31, 2016 – Sep. 30 2016	<ul style="list-style-type: none"> Monitoring reports 	
Support certification of 2 cities in Energy Management in accordance with ISO 50001.	IRG	OptimEnergo, Arnika	May 31, 2016 – Sep. 30 2016	<ul style="list-style-type: none"> 2 applications for certification submitted by cities 	
Organize dissemination of this experience to other cities in region through round tables, webinars and other dissemination tools.	IRG	OptimEnergo, Arnika	May 1, 2016 – Sep. 30 2016	<ul style="list-style-type: none"> Booklets Brochures Memos on round tables 	
Task 2.4. Development Credit Authority (DCA) Loan Guarantee	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> Leveraging of local bank/lender financing Training for at least 5 banks on loan guarantee mechanism Participation of at least 2 bank in program 	Commercial lending become available for municipal EE and RE projects with support of DCA partial guarantee.

In cooperation with Bank Lviv and Procredit Bank agree training schedules for head and regional bank offices.	IRG	MDI	Oct.1, 2015 – Jun. 30, 2016	<ul style="list-style-type: none"> • Training schedules agreed with Bank Lviv and Procredit Bank 	
Based on the training schedules, conduct seminars to support utilization of USAID DCA for energy efficiency, including those on assessing accuracy of reports on energy audit of public and multi-family residential buildings.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Training materials • Seminars 	
Conduct joint training seminars and round tables with Bank Lviv and Procredit Bank for HOAs and SMEs on end use energy efficiency to build demand for commercial lending from the Banks.	IRG	MDI	Oct. 1, 2015 – Jun. 30, 2016	<ul style="list-style-type: none"> • Training materials • Training and round tables • Memo on round tables 	
Conduct monitoring of utilization rate of USAID DCA with Bank Lviv and Procredit Bank, and provide recommendations on improvements.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Quarterly monitoring memo 	M 2.4.1. DCAs operations improved.
Assist Bank Lviv to analyze business plans from industrial undertakings, small and medium sized enterprises, under EE loan financing program “Energy Saving.”	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • On-going support when requested by the Bank 	
Assist Bank Lviv, and if requested Procredit Bank, to become part of national and regional programs of cheaper loans for HOAs.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • On-going support 	
Conduct joint public events with Bank Lviv and Procredit Bank to promote energy efficiency improvements.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • On-going support 	
Disseminate best practices for EE projects funded by Bank Lviv and Procredit Bank.	IRG	MDI	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Dissemination of 2-3 best practices 	
Task 2.5. Support Mechanisms that Mobilize Private Sector Investment	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Law on ESCO/EPC • 2 initiated EPC contracts with support of IFIs or private investors • 3 concepts on CE/EE projects • Public participation discussions on PPPs 	Cities initiated PPPs (ESCOs and lease/concessions) for municipal EE and RE projects.

Conduct pre-feasibility studies needed for energy performance contract (EPC) financing by IFIs and private investors in partner cities.	IRG	STTAs	Oct. 1, 2015 – Sept. 30, 2016	<ul style="list-style-type: none"> • Pre-feasibility study reports 	
Support implementation of EPCs.	IRG	STTAs, IBSER, ANTIKA	Oct. 1, 2015 – Sept. 30, 2016	<ul style="list-style-type: none"> • Document package on EPC for at least one partner city, e.g., procurement documents, draft agreements 	
Assist with investment attraction and implementation of municipal EPCs.	IRG	STTAs, IBSER, ANTIKA	Oct. 1, 2015 – Sept. 30, 2016	<ul style="list-style-type: none"> • Draft city resolution on investment attraction • Approval of EPC • Technical documentation for tendering 	
Assist with preparation of legal, financial and environmental documentation needed for EPC.	IRG	IBSER, ANTIKA, STTAs	Oct. 1, 2015 – Sept. 30, 2016	<ul style="list-style-type: none"> • Draft documents 	M 2.5.1. At least one ESCO/EPC for municipal end use energy efficiency initiated.
Assess willingness of cities to do CE PPP projects based on questionnaire to cities	IRG	MDI	Oct. 1, 2015 – Jan. 31, 2016	<ul style="list-style-type: none"> • Reports 	
Prepare pre-feasibility studies for bio-fuel projects.	IRG	MDI, REA, STTAs	Mar. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Pre-feasibility studies for 2 partner cities 	
Support preparation of CE PPP projects by conducting energy audits, pre-feasibility studies and developing concepts of PPP arrangements for CE projects for 2 selected partner cities, and discuss them with key stakeholders.	IRG	MDI, STTAs	Feb. 1, 2016- Apr. 30, 2016	<ul style="list-style-type: none"> • Concept papers, energy audit or pre-feasibility study reports • Discussions with key stakeholders 	
Initiate development of document set required for CE PPP projects.	IRG	MDI, STTAs	Mar. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • List of documents to be developed 	M 2.5.2. CE PPPs initiated.
Conduct training seminars on PPP in CE projects for 2 selected partner cities.	IRG	MDI	Mar. 1, 2016 – May 30, 2016	<ul style="list-style-type: none"> • Training materials 	
Assist 2 selected cities to initiate and implement PPP for CE projects.	IRG	MDI	May 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • 2 reports on PPPs for initiated CE projects 	
Organize public discussions on proposed PPPs.	IRG	MDI	Jun. 1, 2016 – Aug. 31, 2016	<ul style="list-style-type: none"> • Event reports 	
Prepare catalog of CE PPP projects identified during implementation of MERP, and distribute it to potential investors and IFIs.	IRG	MDI	Feb. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Catalog • Distribution to potential investors and IFIs 	

Task 2.6. Preparation of Sustainable Energy Public Awareness Plan and Development of Related Materials	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Targeted public info campaigns in all selected municipalities • Behavior change that supports energy conservation 	Public in partner cities is well informed about EE and RE measures. Local NGOs, media and associations involved in SEAP and investment process.
Establish regular coordination on PR activities with MinRegion PR WG, donors, GOU Committee of Reforms, CabMin, and USAID OTI.	IRG	MDI, OPORA	Oct 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • List of coordinated events and activities 	
Hold periodic working group meetings on communication Issues to adjust information strategy and assure its successful implementation in cities.	IRG	MDI	Oct 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Minutes of WG meetings 	M 2.6.1. PR coordination established and operational.
Assure multifaceted public awareness campaign on EE/alternative energy through development, distribution and promotion of targeted information materials (posters, brochures, info graphic, PSAs) in MERP partner cities.	IRG	MDI, OPORA	Oct 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Information materials focused on: Energy Efficiency <ul style="list-style-type: none"> - Energy conservation tips - Insulation technologies for multi-apartment buildings - Selection of EE electric appliances - Use of vehicles Alternative Energy Resources <ul style="list-style-type: none"> - Guidelines for each individual city - Specifics of local resources available to replace natural gas 	
Promote themes of EE/Alternative Energy; explain changes related to tariff reform through <ul style="list-style-type: none"> - TV and radio media. - Round tables and expert opinions. - Call in shows. - Analytical articles in electronic and printed media. 	IRG	City and oblast administrations, local media, CURE, OPORA, MDI	Oct 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Promotion of outreach topics through regional media • Demand for MERP experts and local partners to comment on relevant subjects in regional media outlets 	

Conduct public hearings on SEAP to involve general public in discussion about priority areas of EE in MERP pilot cities.	IRG	MDI, OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Public hearings in MERP pilot cities • Identification of investent priorities 	M 2.6.2. Public events organized to support SEAPs and investments in municipal EE and RE.
Support web sites of beneficiaries, stakeholders and partners with information materials. Disseminate best practices.	IRG	MDI	Oct 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Information materials • Analytical documents • Articles • Success stories 	
Conduct EE/AE lessons and events for school children in MERP partner cities.	IRG	MDI, Bibliomist	Nov. 30, 2016	<ul style="list-style-type: none"> • Lesson concept • Report with participant lists, presentations, etc. 	
Hold contest for children for best social advertising idea in MERP partner cities.	IRG	MDI	Feb. 1, 2016 – Mar. 31, 2016	<ul style="list-style-type: none"> • Contest concept • Contest • Winners 	
Conduct contest for school children on reduction of energy consumption in MERP partner cities.	IRG	MDI	Dec. 1, 2015 – Mar. 31, 2016	<ul style="list-style-type: none"> • Contest • Winners 	
Develop information materials (brochures/posters etc.) for MERP partner cities to show potential of various AE sources in their regions. Organize information corners.	IRG	MDI, Partner city councils	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Information materials • Information corners 	
Conduct set of workshops called "AE/CE potential in your region" for staff of city councils, business and media.	IRG	MDI, Partner city councils	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Workshops 	
Conduct energy saving webinars.	IRG	MDI	Dec 30, 2015 – Mar. 1, 2016	<ul style="list-style-type: none"> • Webinar concept • Webinars • Report 	<i>Online training with discussions and answering questions</i>

Activity 3: Capacity Building and Dissemination					
Expected results: Energy audits, Municipal Energy Plans, and energy management and monitoring are national norms. GOU or local organization has ability to further develop EE technical standards to meet international standards. Cooperation between municipal governments and civil society sector is strengthened. Local capacity to implement CE initiatives through direct donor awards is improved. GOU systems to implement CE initiatives through G2G are improved.					
Task Activities	Lead	Support	Completion	Outcomes / Deliverables / Results	Milestone / Comments
Task 3.1. Preparing local non-governmental organization for direct award from USAID	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Training of NGOs • Improved NGO operations 	Local NGO capacity to manage grant's programs improved.
Oversee and support implementation of grant projects by local partner organizations.	IRG	STTAs	Feb. 28, 2016	<ul style="list-style-type: none"> • Improved organizational capacity of selected NGOs • Accomplishment of grant projects 	M 3.1.1. Local NGO capacity to manage grant's programs improved.
Cross cutting (Anti-corruption)	IRG	OPORA	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • Improved capacity of local organizations (NGOs) and journalists to advocate transparency and disclosure in energy sector 	Improved transparency and disclosure of information in the municipal energy sector supported.
Conduct coordination meetings with key partners, including civil society groups, anti-corruption 'watchdog' organizations and investigative journalists.	IRG	OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Established coordination and cooperation with key partners 	
Create local (city level) anti-corruption coalitions involving civil society. Create networks and social media groups.	IRG	OPORA	Oct. 31, 2015	<ul style="list-style-type: none"> • Established coalitions with signed MoUs • New social media groups 	M 3.1.2. Local anti-corruption coalitions established.
Conduct training on anti-corruption for local civil society representatives and journalists.	IRG	OPORA	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Training materials • Training • Webinars 	
Support legislative acts (national and local) designed to fight corruption in municipal energy sector (in coordination with Task 1.1 activities).	IRG	OPORA, Local Partner NGOs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Comments to legislative acts • Minutes of meetings 	

Cooperate with NGOs, anti-corruption 'watchdog' organizations and investigative journalists or agencies in conducting advocacy campaigns to increase transparency in municipal energy and communal services sector.	IRG	OPORA, Partner NGOs, anti-corruption 'watchdog' organizations	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Agenda • Publications • Reports 	
Support collection, analysis, publication and distribution of information on anti-corruption. Disclose information to public (anti-corruption monitoring).	IRG	OPORA, Local Partner NGOs	Oct. 1, 2015 – Jul. 31, 2016	<ul style="list-style-type: none"> • Analytical materials • Publications 	
Conduct local press conferences, presentations and discussions to advocate transparency and disclosure in energy sector.	IRG	OPORA, Local Partner NGOs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Analytical materials • Press releases • Publications 	M 3.1.3. Improved transparency and disclosure in the municipal energy sector supported.

Activity 4: Enhance Capacity for the GOU in Low Emission Development Strategies (EC LEDS)					
Expected results: LEDS/REDS milestones and benchmarks met. GOU's and other public and private stakeholders' capacity to develop and implement low emission development strategies is increased.					
Task Activities	Lead	Support	Completion	Outcomes / Deliverables / Results	Milestone / Comments
Task 4.1. Strengthening institutional capacity in planning LEDS-REDS	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> Enhanced and deployed National Inventory System by international best practices Sectorial and local government strategies or action plans with LEDS-REDS incorporated Ability of several GOU agencies to use TIMES-MARKAL to develop GHG emission mitigation options Improved institutional capacity of governments on LEDS/REDS Intra-government coordination on LEDS/REDS 	LEDS institutional infrastructure and planning capacity improved.
Provide technical, expert and advisory and support to budgetary entity "National GHG Center" of MinEcology during desk review process of National GHG Inventory Report (NIR) 1990-2013, to be conducted by international expert review team per UNFCCC requirements.	IRG	STTAs	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> National and international expert support during review week Review process of NIR 1990-2013 to assist GoU to comply with first-time application of IPCC 2006 Guidelines 	
Provide technical and expert assistance support in transport sector to National GHG Inventory Center of MinEcology during preparation of NIR 1990-2014.	IRG	STTAs	Oct. 1, 2015 – Apr. 1, 2016	<ul style="list-style-type: none"> National and international expert support for transport sector Draft elements of NIR 	
Provide technical and expert assistance support in energy sector statistics and timeline to National GHG Inventory Center of MinEcology during preparation of NIR 1990-2014.	IRG	STTAs	Oct. 1, 2015 – Apr. 1, 2016	<ul style="list-style-type: none"> National and international expert support for energy sector statistics and timeline Draft elements of NIR 	M.4.1.1. National GHG Inventory Report 1990-2014 submitted.
Continue implementation of MoU between MinEcology and MERP.	IRG	STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Signed MOU implementation process and Work Plan (if needed) 	
Provide assessment and analytical analysis of available practices in formulation of National Strategic Vision on Low Emission Climate Policy.	IRG	STTAs	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> Draft report on best available practices for MinEcology 	

Assess best available practices in development and implementation of climate change strategies, plans and programs.	IRG	STTAs	Oct. 1, 2015 – Dec. 31, 2015	<ul style="list-style-type: none"> Draft report on best available practices for MinEcology 	
Draft General National Strategic Vision on Low Emission Climate Policy development and relevant political statements with explanatory note.	IRG	STTAs	Nov. 1, 2015 – Feb. 29, 2016	<ul style="list-style-type: none"> Draft policy vision for MinEcology 	
Draft Low Emission Climate Strategy of Ukraine per Cabinet of Ministers format with explanatory note.	IRG	STTAs	Nov. 1, 2015 – Feb. 29, 2016	<ul style="list-style-type: none"> Draft strategy for MinEcology 	M 4.1.2. Draft Elements of State Climate LEDS Policy created.
Support State Working Group on State Climate Policy under MinEcology. Provide administrative and technical support to regular meetings and development of draft proposals/elements for State LEDS Climate Policy.	IRG	CCS, IEEC, STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Agendas Materials Minutes of WG meetings Draft proposals for State LEDS Climate Policy 	
Develop concept paper of both LEDS sub-groups to facilitate better understanding as well as planning and implementation of LEDS for each of selected sectors (minimum 2).	IRG	CCS, STTAs	Oct. 1, 2015 – May 30, 2016	<ul style="list-style-type: none"> 2 concept papers Discussion with stakeholders 	M.4.1.3. LEDS Concept Papers.
Develop, update and review instructions for concept paper for each sector (minimum 2).	IRG	CCS, STTAs, IEEC,	Oct. 1, 2015 – May 30, 2016	<ul style="list-style-type: none"> 2 instructions for LEDS concept papers 	
Support process for state and civil society discussion and submission of Intended Nationally Determined Contributions (INDC).	IRG	DWG, IEF, STTAs	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Assistance to public discussion Assistance to submission of INDC 	
Support development of LEDS Action Plan for MinEcology within its scope and mandate.	IRG	CCS, STTAs, IEEC	Nov. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Draft LEDS Action Plan for MinEcology 	M.4.1.4. Draft MinEcology LEDS Action Plan.
Support development of LEDS Action Plan for MinRegion within its scope and mandate.	IRG	CCS, STTAs, IEEC	Nov. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Draft LEDS Action Plan for MinRegion 	M.4.1.5. Draft MinRegion LEDS Action Plan.
Support on-going LEDS action planning process through working and expert groups at agency and inter-agency levels.	IRG	IEEC, CCS, STTAs	Nov. 1, 2015 - Sep. 30, 2016	<ul style="list-style-type: none"> Workshop and round table reports 	

Participate in and contribute to expert groups, working groups and groups drafting LEDS at state and public levels.	IRG	CCS, STTAs, IEEC	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Presentations and working group reports 	
Develop MRV training package.	IRG	STTAs	Oct. 1, 2015 – Feb. 28, 2016	<ul style="list-style-type: none"> • Training materials • Presentations • Analytical documents 	
Conduct seminars on MRV implementation in Ukraine.	IRG	STTAs	Apr. 1, 2016 – Sep. 30, 2016	<ul style="list-style-type: none"> • Training materials • Presentations • Analytical documents 	M 4.1.6. Institutional basis and capacity built for MRV implementation in Ukraine.
Develop concept for on-line help desk for MRV implementation in Ukraine.	IRG	STTAs	Nov. 1, 2015 – Jan. 30, 2016	<ul style="list-style-type: none"> • Concept 	
Support on-line help desk for MRV implementation in Ukraine on national and regional levels to prepare recommendations and provide assistance to operators in <ul style="list-style-type: none"> - Monitoring plan development. - Improving monitoring. - Data collection and analysis. - Methodologies for CO₂ emission calculation. 	IRG	STTAs,	Feb. 15, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> • Monitoring data collection forms • GHG emission calculation models • Methodologies for CO₂ emission calculation 	M.4.1.7. MRV on-line Help Desk established.
Conduct Municipal Sector Technology Needs Assessment dissemination campaign.	IRG	IEEC, STTAs	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> • Technology needs assessment • Presentations and publications • Round table on Municipal Sector report 	
Develop LEDS scenarios for energy sector to further incorporate GHG emission reductions into TIMES-Ukraine modeling.	IRG	DWG, STTAs, Institute of Economics	Dec. 1, 2015 – Mar. 30, 2016	<ul style="list-style-type: none"> • LEDS scenarios with modeling calculations 	
Continue strengthening institutional capacity of state agencies to apply TIMES-Ukraine for sectoral strategic planning and LEDS purposes.	IRG	DWG, STTAs, Institute of Economics	Dec. 1, 2015 - Feb. 29, 2016	<ul style="list-style-type: none"> • Training materials and presentations • Training assessment report 	
Task 4.2. Implementing LEDS-REDS through support in developing and introducing clean energy technologies and energy services	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> • At least 5 approved LEDS/REDS legal/regulatory acts (per score card) • At least 5 CE/EE projects (developed, financed, and beginning implementation) worth \$10 M in total 	Climate Change Policies and projects developed to support LEDS.

Advise and support state bodies, existing and emerging high-level working groups, members of Verkhovna Rada and state committees on climate change issues and inclusion of climate change in their agendas.	IRG	STTAs, CCS	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Analytical and informational materials Draft agendas and meeting minutes 	
Provide on-going technical and administrative support to MinEcology on climate change international activities, including but not limited to UNFCCC.	IRG	STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Meeting minutes Workshop reports Analytical and assessment reports 	
Provide technical and administrative support to State Working Group under MinEcology on UNFCCC negotiation.	IRG	STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Presentations Meeting minutes 	
Provide technical and administrative support to State Working Group on State LEDS Climate Policy under MinEcology.	IRG	STTAs	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Presentations Meeting minutes 	
Support GOU working groups to draft relevant legislation for LEDS.	IRG	STTAs, CCS, JurEnerg	Oct. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Analytical documents Draft regulation and legislation 	
Provide admin and technical support to state <i>Inter-agency Commission on UNFCCC</i> implementation meetings.	IRG	STTAs, CCS,	Nov. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Analytical reports Draft regulatory and policy documents Agendas Meeting minutes 	
Identify CE/EE projects in partner cities in terms of best available technologies and GHG emissions.	IRG	IEEC, STTAs	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> List of potential CE/EE projects 	
Provide legal analysis of municipal sector CE/EE project implementation support and bottlenecks.	IRG	IEEC, STTAs	Nov. 1, 2015 – Jan. 30, 2016	<ul style="list-style-type: none"> Legal assessment report 	
Identify and present best available LEDS technologies for pre-selected projects. Provide consulting assistance on selecting best technologies for specific projects.	IRG	IEEC, STTAs	Feb. 1, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> List of LEDS technologies for specific projects Selection manual and recommendations 	

Conduct regional training seminars on CE/EE best available technologies.	IRG	IEECs, STTAs	Feb. 1, 2015 – May 30, 2016	<ul style="list-style-type: none"> Regional seminars Training curriculum and materials 	
Develop road map for implementation of CE/EE projects in municipal sector.	IRG	IEEC, STTAs	Nov. 1, 2015 – Feb. 29, 2016	<ul style="list-style-type: none"> Road map Presentations on road map 	M.4.2.1 Road Map on Implementation of Municipal CE/EE Projects.
Task 4.3. Developing uniform database on LEDS-REDS and exchanging experiences and best practices with other countries participating in EC-LEDS	IRG	Consultants, Partners	Quarters 1, 2, 3, 4	<ul style="list-style-type: none"> Uniform database in accordance with international best practices Integration of Ukraine into international cooperation on LEDS-REDS 	GOU agencies linked to international LEDS portal and received information on best practice.
Do test run for LEDS database for functional and technical checks with limited access to LEDS trained experts.	IRG	CCS, STTAs, IEEC	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Test run reports Feedback Recommendations for improvements 	
Review and develop recommendations for updates of uniform database.	IRG	CCS, STTAs,	Jun. 30, 2015 – Sep. 30, 2016	<ul style="list-style-type: none"> Reports with recommendations on database update 	
Operationalize and provide on-going technical and substantial support for LEDS database.	IRG	STTAs, CCS, IEEC	Jan. 1, 2016 – Jul. 30, 2016	<ul style="list-style-type: none"> Operating LEDS database Action plans 	M 4.3.1. LEDS Database up and running.
Conduct study tour for state officials, policy makers, LEDS-trained expert and academia representatives on LEDS to learn best international practices.	IRG	CCS, DWG	Oct. 1, 2015 – Dec. 30, 2015	<ul style="list-style-type: none"> Study tour in US 	

MER PROJECT YEAR 3 – LIST OF MILESTONES

Activity 1: Improve Clean Energy Regulatory and Legislative Enabling Environment

Task/Milestone	Deadline
Task 1.1. Developing Enabling Legislative and Policy Environment	
M 1.1.1. Implementation started of GOU National Action Plans on EE and RE.	Sep. 30, 2016
M 1.1.2. ESCO sub-legislation adopted by governmental bodies.	Sep. 30, 2016
M 1.1.3. Key municipal EE legislation: Law on Energy Efficiency in Buildings, Law on Housing & Communal Services adopted by Rada.	Aug. 30, 2016
M 1.1.4. Law on National Regulatory Commission on Energy and Communal Services adopted by Rada.	Dec. 30, 2015
M 1.1.5. Law on Transparency of Information on Energy and Communal Services Markets adopted by Rada.	Dec. 30, 2015
Task 1.2. Assistance to National Energy & Communal Services Regulatory Commission (NECSRC)	
Sub-task 1.2.1. Needs Assessment for Assistance to the National Energy & Communal Services Regulatory Commission (NECSRC)	
M 1.2.1.1. Annual Work Plan developed and agreed with NECSRC.	Dec. 31, 2015
M 1.2.1.2. Capacity Building Plan developed and agreed with NECSRC.	Dec. 31, 2015
Sub-task 1.2.2. Capacity Building	
M 1.2.2.1. Capacity of NECSRC improved.	Sep. 30, 2016
Sub-task 1.2.3. Improving Heat Tariff Setting	
M 1.2.3.1. Investment methodology approved by relevant governmental bodies.	Feb. 28, 2016
M 1.2.3.2. Quality of Services assurance mechanisms enacted by NECSRC.	Feb. 29, 2016
M 1.2.3.3. Basis for RAB incentive tariff regulation established.	Jan. 30, 2016
Sub-task 1.2.4. Developing Utility Benchmarking	
M 1.2.4.1. New regulatory reporting taught to utilities.	Dec. 31, 2015
M 1.2.4.2. New regulatory benchmarking system developed.	Dec. 31, 2015
Task 1.3. Supporting Improvement of Social Safety Net for Vulnerable Population	
M 1.3.1. Coordination with WB, GOU and other donors on social protection is functioning.	Sep. 30, 2016
M 1.3.2. Transparency of social subsidies to low-income consumers improved.	May 31, 2016
Task 1.4. Supporting Energy Efficiency Standards	
M 1.4.1. Energy Managers in partner cities certified.	Sep. 30, 2016
M 1.4.2. Standard on Energy Audits in Buildings approved.	Nov. 30, 2015
M 1.4.3. One new energy standard developed.	Sep. 30, 2016
Task 1.5. Public Information and Awareness	
M 1.5.1. Public information materials and PSAs on EE/CE and social safety nets developed.	Jul. 30, 2016
M 1.5.2. Public messaging and education on AE/EE, social safety net conducted.	Sep. 30, 2016
M 1.5.3. National public awareness campaign to promote energy efficiency, energy conservation and renewable energy, implemented.	Apr. 30, 2016

Activity 2: Promote Investment in Clean Energy Technologies and Applications

Task/Milestone	Deadline
Task 2.2. Assisting Municipalities with Planning, Preparing and Financing for Clean Energy Projects	
M 2.2.1. Capacities of pilot cities regarding attraction of investment to clean energy projects strengthened.	Nov. 30, 2015
M 2.2.2. SEAPs adopted in pilot cities.	Dec. 31, 2015
M 2.2.3. Private investors and IFIs receive up-to-date information on promising long-term investment projects in pilot municipalities.	Mar. 31, 2016
M 2.2.4. Capacity of cities of second group regarding attraction of investments from IFIs and from private investors under PPP arrangement built.	Apr. 30, 2016
M.2.2.5. Support to demonstration CE projects in residential buildings in selected municipalities provided	Sep. 30, 2016
Task 2.3. Introduction of Energy Management Systems	
M 2.3.1. Local capacity built on Municipal Energy Management.	Jan. 31, 2016
M 2.3.2. Energy Management Systems established in partner cities.	Apr. 30, 2016
Task 2.4. Development Credit Authority Loan Guarantee	
M 2.4.1. DCAs operations improved.	Sep. 30, 2016
Task 2.5. Support Mechanisms that Mobilize Private Sector Investment	
M 2.5.1. ESCO/EPC for municipal end-use energy efficiency initiated.	Jun. 30, 2016
M 2.5.2. CE PPPs initiated.	Sep. 30, 2016
Task 2.6. Preparation of Sustainable Energy Public Awareness Plan and Development of Related Materials	
M 2.6.1. PR coordination established and operational.	Sep. 30, 2016
M 2.6.2. Public events organized to support SEAPs and investments in municipal EE and RE.	Sep. 30, 2016

Activity 3: Capacity Building and Dissemination

Task/Milestone	Deadline
Task 3.1. Preparing a local non-governmental organization for a direct award from USAID	
M 3.1.1. Local NGOs capacity to manage grant programs improved.	Feb. 28, 2016
Cross cutting (Anti-corruption)	
M 3.1.2. Local anti-corruption coalitions established.	Oct. 31, 2015
M 3.1.3. Improved transparency and disclosure in municipal energy sector supported.	Sep. 30, 2016

Activity 4: Enhance Capacity for the GOU in Low Emission Development Strategies**(EC-LEDS)**

Task/Milestone	Deadline
Task 4.1. Strengthening institutional capacity in planning LEDS-REDS	
M.4.1.1. National GHG Inventory Report 1990-2014 submitted.	Apr. 1, 2016
M 4.1.2. Draft Elements of State Climate LEDS Policy.	Feb. 29, 2016
M.4.1.3. LEDS Concept Papers written.	May 30, 2016
M.4.1.4. Draft MinEcology LEDS Action Plan.	Sep. 30, 2016
M.4.1.5. Draft MinRegion LEDS Action Plan.	Sep. 30, 2016
M 4.1.6. Institutional basis and capacity built for MRV implementation in Ukraine.	Sep. 30, 2016
M.4.1.7. MRV on-line Help Desk established.	Sep. 30, 2016
Task 4.2. Implementing LEDS-REDS through support in developing and introducing clean energy technologies and energy services	
M.4.2.1. Road Map on Implementation of Municipal CE/EE Projects completed.	Feb. 29, 2016
Task 4.3. Developing a uniform database on LEDS-REDS and exchanging experiences and best practices with other countries participating in EC-LEDS	
M.4.3.1. LEDS database up and running.	Jul. 30, 2016